

**Thursday  
18 January 2018**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Thursday 18 January 2018**

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# House of Commons

*Thursday 18 January 2018*

*The House met at half-past Nine o'clock*

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### TRANSPORT

*The Secretary of State was asked—*

#### **Community Transport: Licensing**

1. **Neil Gray** (Airdrie and Shotts) (SNP): What progress he has made on his proposals to change the licensing of community transport. [903363]

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** In the first Transport questions since the beginning of the year, the Year of Engineering, I would like to put on record my thanks to my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes) and my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) for all the work that they have done.

The Government want to protect as many community transport services as possible. We will soon be consulting on the issuance and use of permits, and have been working to interpret the scope of the exemptions to the regulations as widely as the law will allow.

**Neil Gray:** I thank the Minister for his answer. He will be aware that the proposal is estimated to cost the industry £37 million and each driver £1,500. It rather seems like the Government have taken a sledgehammer to crack a nut. What does the Minister say to Shotts' Getting Better Together in my constituency, which provides essential community transport services, yet has no interest in being a commercial entity and could be lost to the community under these plans?

**Jesse Norman:** I do not recognise the description that the hon. Gentleman gives. I have been up and down the country talking to community transport schemes. It is not at all clear that the implication for local community transport operators will be anything like as severe as has been suggested, and the one case that has been tested has been referred back for further evidence gathering.

**Robert Courts** (Witney) (Con): I am grateful to the Minister for recently visiting my constituency, where he saw the great work being done by Our Bus Bartons. He will know that such companies all over the country are urgently seeking reassurance, but can he clarify whether any action proposed by the transport commissioner

reflects upon the consultation that is taking place, or whether the consultation will be taking place in any event?

**Jesse Norman:** The consultation will be taking place in any event, and the details will be announced shortly. I greatly enjoyed my visit to see the Our Bus group, which is a model of good practice in local community transport.

**Richard Burden** (Birmingham, Northfield) (Lab): I welcome the Minister to his appointment. While I understand that the Government have said that they are not going to end the sections 19 and 22 arrangements, the letter they sent out in July last year has caused what the Select Committee on Transport has described as paralysis in the not-for-profit sector. Do we not now need clarity from the Government about what they intend to do, so that they can demonstrate real support for the community transport sector, including for firms such as Shencare in my constituency?

**Jesse Norman:** I am grateful to the hon. Gentleman for welcoming me to my job. I have actually been in it for a while, so I am sorry not to have made more impact on him, if not on the sector. In that regard, he will have seen—I am sure he has noted it carefully—the testimony that I and one of my officials gave to the Transport Committee, which put to rest the question of whether the letter was inappropriate or had caused difficulty. There certainly has been concern, and rightly so: it is a reinterpretation of the law. Some people may not be compliant, that is true, but the vast majority will be, and we expect the consultation to be successful in further allaying concerns.

**Norman Lamb** (North Norfolk) (LD): North Norfolk Community Transport says that at the moment it is unable to get new section 19 permits because it has bid for some of its services competitively, but those services are cross-subsidising vital community services and it is doing exactly what the county council urged it to do. These vital services could go under unless that uncertainty ends, so can the Minister give some reassurance urgently?

**Jesse Norman:** The traffic commissioners are acting speedily and effectively and as a unified group on this issue. I expect the consultation to continue to give—through the proposed exemptions and workarounds that we have been looking at—further comfort to the sector.

#### **Rail Improvements: Devon and the South-west**

2. **Neil Parish** (Tiverton and Honiton) (Con): What progress he has made on rail improvements in Devon and the south-west. [903364]

**The Minister of State, Department for Transport (Joseph Johnson):** We are investing more than £400 million in the rail network in the south-west. This includes a fleet of brand-new trains for services to Devon and Cornwall, which will enter service later this year, transforming journeys for passengers. We are continuing to work with Network Rail and the Peninsula Rail Task Force to explore the potential for longer-term improvements in the south-west.

**Neil Parish:** I welcome the Minister to his new job. The Waterloo to Exeter line serves Axminster and Honiton and the southern part of my constituency. It is a great rail line and it needs a second loop in order to get more trains into Exeter and then back up to London. Could the Minister give me details of what is happening with that?

**Joseph Johnson:** The Devon Metro proposals for enhanced rail services in the Exeter area include aspirations for additional local services between Axminster and Exeter. This is being progressed as a local scheme by Devon County Council, and we will continue to provide assistance as it develops its proposals.

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): I welcome the Minister to his new position. The new Minister will be aware that the Government missed the Christmas deadline for funding the three-minute speed reduction between Plymouth and Exeter. At just £600,000, why did the Government knock back the south-west?

**Joseph Johnson:** I can assure that hon. Gentleman that that is not the case. We are continuing to look closely at the issue, and we are working on it in the Department and with Network Rail.

**Kevin Foster** (Torbay) (Con): I welcome my hon. Friend to his post. As he will know, one of the key improvements that could be made for my constituents would be the provision of a new station at Edginswell. Does he share the enthusiasm of his predecessor, my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard)—whom I see further down the Front Bench, in his new post as a Whip—for that project, and does he agree that it would be a perfect beneficiary of the new stations fund?

**Joseph Johnson:** I do share the enthusiasm of my hon. Friend the Member for Blackpool North and Cleveleys. We are currently investing more than £40 billion in our network, including more than £15 billion on rail enhancements, as part of the biggest rail modernisation programme for over a century, and we are always on the lookout for good proposals to support.

**Thangam Debbonaire** (Bristol West) (Lab): I, too, welcome the Minister to his post. When will the electrification programme for the railways in the south-west—including the chunk to Bristol—be “un-paused”?

**Joseph Johnson:** We are thinking about how we can deliver the best outcomes for passengers, because that is what is important to us. We are delivering the same benefits more efficiently, and at a lower cost to taxpayers. We are delivering faster journey times and better trains, and I think that Members on both sides of the House will welcome the new fleet of 29 Hitachi trains which will serve that part of the country.

### Accessible Stations

3. **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): What steps are being taken to increase the number of stations that are accessible to disabled people. [903365]

**The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani):** The Government are committed to improving station access for disabled people, including those with hidden disabilities. Further funding for the Access for All programme will be made available in the next rail control period, and we are introducing new accessibility commitments as part of franchises. In addition, whenever the industry carries out infrastructure work at stations, it must meet current accessibility standards. I must say “thank you” to my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), who did a huge amount of work on accessibility across all transport modes.

**Dr Cameron:** As chair of the all-party parliamentary group on disability, I have been hearing accounts from people throughout the United Kingdom about a lack of access to both underground and railway stations, which contributes to isolation and social exclusion and also impedes their ability to get back to work—and getting people back to work is one of the Government’s key tasks. Would the Minister kindly agree to discuss with the all-party group the progress that can be made if we work together on the issue?

**Ms Ghani:** I am aware of the hon. Lady’s work on the APPG. As she will know, I was chair of the all-party parliamentary group on eye health and visual impairment, and we did a lot of work together.

I believe that 75% of platforms are accessible by steps, but we need to do much more work. All train operating companies and Network Rail are required to have a disabled people’s protection policy as a condition of their licences.

The hon. Lady also contributed to the draft accessibility action plan. There were a number of recommendations, and I look forward to meeting her and ensuring that they are followed through.

21. [903385] **Dr Philippa Whitford** (Central Ayrshire) (SNP): Having previously chaired the sight loss group, the Minister may be aware of concern expressed by Guide Dogs and the Royal National Institute of Blind People. Equality disability training has been standard for bus drivers throughout Europe since 2013, but the UK’s opt-out will run out on 1 March. I asked about that during Women and Equalities questions last week, and the fact that the Minister knew nothing about it did not sound terribly good in the context of interdepartmental working. Will the UK meet its deadline, or will this be another loss from Brexit?

**Ms Ghani:** At present, bus drivers must undertake licensing training to ensure that they are able to deal with people with not just visible disabilities but invisible disabilities such as sight loss. They cannot obtain their competency certificates without that training. I will ensure that the issue is followed up at local authority level, and if there is a gap, I shall be more than happy to meet the hon. Lady to ensure that it is dealt with.

**Clive Efford** (Eltham) (Lab): I recently undertook a journey on our Bexleyheath line service with a disabled person who was using a wheelchair, to demonstrate how inconvenient it will be when the Victoria line link is removed with the new franchise. She would then have to

change at Lewisham, and she says that she would not undertake that journey. Is it right that we are designing disabled people out of our rail service? Will the Minister implore her colleagues to change their minds?

**Ms Ghani:** The hon. Gentleman is absolutely right to raise this. It is not acceptable, but I believe that it is going to be addressed later on down the line at Charing Cross. I refer, too, to my earlier response: all train operating companies have to comply with the disabled people's protection policy, and if they are unable to, they have to provide alternative transport for the passenger, such as an accessible taxi to the next station. If the hon. Gentleman has a particular case, I will be more than happy to follow it up.

#### Rail Passenger Compensation

4. **Vicky Ford** (Chelmsford) (Con): Whether he has plans to review the compensation arrangements available to rail passengers. [903366]

**The Minister of State, Department for Transport (Joseph Johnson):** My hon. Friend will be pleased to hear that, principally because of greater awareness and greater ease in accessing compensation, passengers in the Greater Anglia region have received twice as much compensation in 2016-17 as they did in 2015-16.

**Vicky Ford:** I apologise for arriving late—due to a train delay this morning. We in the east of England are looking forward to our sparkling new trains arriving next year, but in the meantime we often face delays, and when people face delays they should be compensated. Will the Minister look at issues such as when trains are overcrowded and people have to get the next one, or when they are cancelled, and see if we can find some technical improvements?

**Joseph Johnson:** I am glad my hon. Friend welcomes the new trains. Passengers can look forward to a complete fleet replacement, with over 1,000 new carriages by the end of 2020. This will mean passengers will be travelling on longer and, crucially, more regular trains.

**Kate Green** (Stretford and Urmston) (Lab): The problems the hon. Member for Chelmsford (Vicky Ford) describes as facing her constituents are exactly the same as those my constituents have been experiencing in recent months on Northern Rail. Pleas for a compensation system that recognises that delays might be short but repeated and that trains are often overcrowded so that they cannot even get on them are falling on deaf ears. Will the Minister undertake to take this up directly with Northern Rail since my own meetings with it have produced absolutely no progress on this matter?

**Joseph Johnson:** That is why it is so important that trains are being extended and replaced. The crucial thing is that, where there are delays, passengers are more aware of, and have easier access to, compensation schemes, and overall across the system over £73 million was paid in compensation in 2016-17, an increase of over 64% over the previous year.

**Robert Neill** (Bromley and Chislehurst) (Con): The compensation scheme works on the basis that the delays are an exception rather than the norm. Will the Minister sit down with me, or perhaps follow me on Twitter so that he can see the messages I have had every day since

work was resumed after the holidays on south-east trains, with delays and disruption every day on every line?

**Joseph Johnson:** I share my hon. Friend's concerns and sympathise greatly with the experience of his constituents and other constituents in that area. The Southeastern service is one of the most congested in the country, and it has been vulnerable to the impact of infrastructure failures. We are working closely to ensure closer working between the operator and Network Rail to secure a reduction of such problems in the future.

**Jim Shannon** (Strangford) (DUP): Compensation arrangements have to work, so will the Minister outline whether he believes that the compensation system can be streamlined and, importantly, be accessible?

**Joseph Johnson:** Passengers are accessing compensation schemes far more easily than ever before. That is reflected in the greater take-up of compensation payments, which is growing at a far faster rate than any delays in services. We continue to work with operators to ensure that this becomes easier for passengers to access and we will be looking carefully at that in the next franchise renewals process.

#### Private Sector Rail Investment

5. **Stephen Hammond** (Wimbledon) (Con): What recent assessment he has made of the role of private sector investment in the rail industry. [903367]

**The Secretary of State for Transport (Chris Grayling):** The private sector has generated almost £6 billion of private investment over the past decade, providing new trains, upgrading stations and transforming the passenger experience.

**Stephen Hammond:** I thank my right hon. Friend for that answer. The irony will not be lost on him that public sector satisfaction in the railways is declining as Government influence is at its highest since rail privatisation. What discussions has his Department had with Network Rail to change procurement and design practices so that the private sector can have more influence in funding and financing future projects?

**Chris Grayling:** I want to see both. We have just announced the biggest investment programme in our railways—over the period 2019 to 2024—since the steam age, including £20 billion of renewals. That is crucial: one of the reasons why we talk at Question Time about train delays is that the infrastructure in many places desperately needs renewal, which is why we are spending £20 billion on that. It is also important that we bring in additional private finance alongside that public investment, and I have been discussing extensively with Network Rail how we can make that happen.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): The private sector can only bring in investment if it knows what the Government's plans for infrastructure are going to be. Will the Secretary of State tell me now what the latest Government position is on the electrification of the trans-Pennine line?



**Chris Grayling:** I have just received the proposals from Network Rail, and we are now reviewing them. My aim is to start this £3 billion upgrade within a matter of months. The project is due to really get under way next year. We are looking at all the different options but, as I have said, electrification will be part of the programme.

**Sir Patrick McLoughlin** (Derbyshire Dales) (Con): Up until 1992, when the only investment in the railways came from the public sector, rail usage was declining. Since privatisation, we have seen a massive increase in the amount of people using the railways. Does my right hon. Friend agree that that is because of the changes that the private sector brought in?

**Chris Grayling:** I absolutely agree with my right hon. Friend. I do not understand the policy adopted by the Labour party. We are now seeing the construction of thousands of new carriages funded by the private sector, and we are getting rid of some of the legacy trains from the days of British Rail that were not up to scratch in those days and are certainly not up to scratch now. That is because private money is coming in alongside our investment programme.

**Tony Lloyd** (Rochdale) (Lab): The real question for the Secretary of State is: does he have the political will to ensure that the money is available to invest in the northern rail system in this generation? Not jam tomorrow. Trains today.

**Chris Grayling:** The answer to that is clearly yes, because every single train in the north of England is being replaced or refurbished as new. All the old Pacer trains are going, and we are about to start the trans-Pennine upgrade, which will account for one third of the total funding available for enhancement on the railway between 2019 and 2024. That is a large investment programme that will make a difference to the north, and it is a sign of our commitment to the north.

**Dame Cheryl Gillan** (Chesham and Amersham) (Con): Following the sad demise of Carillion, will the Secretary of State confirm that he is carrying out a full review of the HS2 project, including the business case, to ensure that the remaining private sector companies have the capacity to deliver the project without serious overruns and extra cost to the taxpayer?

**Chris Grayling:** My right hon. Friend will be relieved to know that the demise of Carillion, a tragic event for this country and for corporate Britain, will none the less not affect the HS2 project. The existing contract is part of a three-company consortium, and the other two companies, Kier and Eiffage, are taking over responsibility for the project. The apprenticeships are being transferred, the staff are being transferred and the project will continue uninterrupted.

**Andy McDonald** (Middlesbrough) (Lab): On 17 July last year, the day on which Carillion was confirmed in the HS2 contract, I asked the Secretary of State about the financial instability of the company. He declared himself to be confident that the expected results would be delivered. Given the unfolding events of the last few

days, has he now reflected and does he now accept that he got it spectacularly wrong and that his judgment and confidence were disastrously misplaced?

**Chris Grayling:** I do not accept that at all. The hon. Gentleman referred specifically to the HS2 contract. At the time, I reviewed those carrying out the contracting very carefully, and I have carried out due diligence since. As I said a moment ago, the HS2 project will not be affected by this, even to the point, I am pleased to say, that the apprentices working with Carillion on the project are being transferred to one of the other two partners. The work will continue uninterrupted. There is no delay and there are no cost implications.

**Andy McDonald:** On Monday, *The Times* newspaper said:

“The transport secretary’s decision to award lucrative contracts to an ailing Carillion is only the latest worrying misjudgment to come to light.”

It highlighted his trip to Qatar on the day of the biggest rail fare hike in five years, the notorious £2 billion east coast bail-out and his dysfunctional dealings with trade unions in the private sector, saying that the Prime Minister

“needs to consider whether it is time that this transport secretary left the station.”

Has not *The Times* got it absolutely right?

**Chris Grayling:** The only station that I am going to be leaving is Euston station for a visit to the midlands this morning. There has been no £2 billion bail-out of Virgin Trains East Coast. The contracting with Carillion was actually not with Carillion, but with a consortium of companies that are equally responsible for delivering the contract and will do so. I am happy to stand here to defend the record of a Government that have done more for our transport system than has happened in decades. That is in sharp contrast with what the Labour party did over 13 years in government, which was very little indeed.

### Transport Funding: South-west

6. **Rebecca Pow** (Taunton Deane) (Con): What recent assessment he has made of the adequacy of funding for transport in the south-west. [903368]

**The Secretary of State for Transport (Chris Grayling):** Figures for transport spend in the south-west show a significant increase—part of a pattern, Mr Speaker—totalling £1.7 billion in 2016-17 alone. That spend is helping to deliver a package of investment worth over £2 billion on the strategic road network in the south-west, as well as investing more than £400 million in the rail network.

**Rebecca Pow:** I very much welcome the commitment to funding for the notorious A358 in my constituency, and I am pleased that the Secretary of State and Highways England listened to local concerns and my calls for a new consultation, which opened just this week with three proposals. However, I would like an assurance that the upgrade will deliver not only strategically, but for local people and for productivity in Taunton.

**Chris Grayling:** This is an important matter. The A303 and the A358 are a crucial part of our investment programme in the west country, and they will open up a new corridor for people travelling down to the south-west, but they do have to work for my hon. Friend's constituents and others in the region, particularly for the new employment area next to the motorway in her constituency. I assure her that I will continue to work with her to ensure that the projects delivers both for the region and nationally.

**Dr David Drew (Stroud) (Lab/Co-op):** There is some evidence that trains from Paddington to Bristol and onwards are much better, less crowded and more reliable. However, people face delays and overcrowded and unreliable trains when getting from the south-west to the midlands. Will the Secretary of State put some funding into those lines?

**Chris Grayling:** I am aware of the particular congestion problems on the CrossCountry franchise. We will be re-letting the franchise shortly, and I want to see longer trains with more capacity for passengers. All of us who travel on CrossCountry trains from time to time know that they are too short for the loads they carry, and we need to find a way of sorting that out.

**Alex Chalk (Cheltenham) (Con):** I echo the concerns about CrossCountry trains. Even outside of peak services, cramped trains are increasingly the norm for my constituents, who are jam-packed into vestibules, and that comes on top of delays and cancellations. Does my right hon. Friend agree that CrossCountry needs to raise its game?

**Chris Grayling:** I do agree. This is a question, as it is across the country, of ensuring that we have longer trains for the future. That is central to our strategy and is what the private sector is delivering for our railways, and it needs to happen on CrossCountry trains as well.

**Jo Stevens (Cardiff Central) (Lab):** On funding, Cardiff Central station—the busiest in Wales—is in urgent need of redevelopment to accommodate expected passenger growth of 22 million in the next five years. This week, our Labour council and the Welsh Labour Government announced their funding contributions and the private sector funding, but the project can go ahead only if there is UK Government funding, too. When will the funding be confirmed?

**Chris Grayling:** The important thing about Cardiff Central station is that there is huge development taking place around the station. I have met the developers and local politicians, and I want to see there what I want in other parts of the rail network, which is a real integration of station development with commercial development. That should be an absolutely integral part of what is happening all around the station, not just in the station project in its own right, and that is what I want to happen.

#### Road Links: Kent and the South-east

7. **Rehman Chishti (Gillingham and Rainham) (Con):** What progress has been made on improving road links to (a) Medway, (b) Kent and (c) the south-east. [903369]

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** Highways England is making good progress with upgrades on the A2-M2 corridor to improve links to Medway and Kent, and the preferred routes for the A2 Bean and Ebbsfleet junction upgrades were announced in 2017.

**Rehman Chishti:** I thank the Minister for that answer. Given the impressive growth and regeneration that Medway has seen over the past 20 years and will continue to see, I thank the Government for the £6 billion lower Thames crossing. Will the Minister confirm that the supporting local highways infrastructure programme will go along with the project so that areas such as Medway can fully benefit?

**Jesse Norman:** As my hon. Friend will be aware, the lower Thames crossing is a transformational strategic road project with enormous benefits to Medway and to the region as a whole. We announced the preferred route last year, and we are now developing it further. On the local transport side, it is worth noting that the South East local enterprise partnership has secured nearly £600 million of funding from local growth funds, supporting around 30 transport schemes in Kent and Medway, in order to support the area's continued economic growth.

18. [903381] **Layla Moran (Oxford West and Abingdon) (LD):** As the Minister will be aware, one of the big investments announced for the south-east is the Oxford to Cambridge expressway, which will potentially go through Botley in my constituency. The people in my constituency are very worried. May I invite the Minister to come to Botley to meet residents and to allay their concerns about the possible bulldozing of hundreds of houses?

**Jesse Norman:** I would be delighted to come with the hon. Lady to meet the residents of Botley and to discuss these concerns.

**Helen Whately (Faversham and Mid Kent) (Con):** Last week there was a horrific crash in my constituency in which a car ran into a parked lorry. Three men have died and one is seriously injured. I am not attributing blame, as we do not know exactly what happened, but the Minister will know that lorry parking is a long-running problem in my area of Kent. Will he meet me and representatives of Kent County Council, drivers and lorry parks to see what we can do to speed up the provision of increased lorry parking?

**Jesse Norman:** I am very sorry to hear the news of the crash last week. I would be delighted, as always, to meet my hon. Friend and Kent County Council. She should know this is a topic of great interest to me and the Department. Indeed, I met freight operators only this week in part to discuss these very issues.

#### Passenger Rail Usage

8. **Sarah Jones (Croydon Central) (Lab):** What recent assessment he has made of trends in the level of passenger rail usage. [903371]

22. **Dan Carden (Liverpool, Walton) (Lab):** What recent assessment he has made of trends in the level of passenger rail usage. [903386]

**The Minister of State, Department for Transport (Joseph Johnson):** Rail passenger journeys have more than doubled in the past 20 years, and journey numbers are at their highest level since the 1920s.

**Sarah Jones:** Journeys on the Thameslink, Southern and Great Northern franchise fell for the first time last year as commuters shunned its shoddy services. The management contract given by DfT means the state has to shoulder a £90 million loss as a result, and Office of Rail and Road figures show that passenger numbers are starting to fall across the country. Is the franchise model sustainable if that continues?

**Joseph Johnson:** Passengers are switching away from using traditional season tickets to using pay-as-you-go travel. They are choosing more flexible ticket options to suit their lifestyle. Changing travel behaviour may mean that historical assumptions about the number of journeys taken per season ticket are no longer appropriate. Although the number of passenger journeys is reported to have decreased recently, it does not necessarily mean that fewer people are using the railway network.

**Dan Carden:** Violent attacks on trains have risen by 12.5% in the past year, and sexual offences on trains have doubled in the past five years. A Passenger Focus report in 2014 said that the most important factor identified by passengers is personal security on trains. Wales has guaranteed a guard on every train, and ScotRail has done likewise. When will this Secretary of State take responsibility for passenger safety on trains?

**Joseph Johnson:** The introduction of new trains across almost the entire network, many of which will have CCTV, will play a significant part in ensuring that passengers can continue to travel safely.

**Tom Pursglove (Corby) (Con):** There is a direct link between competition on the line, usage and lower fares. We welcome the fact that electrification is coming to Corby and I am grateful to Ministers for making that happen. Will they now look at options for extending Thameslink to Corby?

**Joseph Johnson:** I would be happy to discuss that proposal with my hon. Friend. Electrification can play a part in improving passenger experience and reducing journey times, and it is one of the things the Department continues to look at closely.

**Philip Davies (Shipley) (Con):** One of the things deterring people from using the railways in the wintry weather we have had over the past few days is the failure of Northern Rail to properly grit some of the stations on its route, particularly Crossflatts in my constituency, making it hazardous for any passenger who wants to use those stations. Is there anything the Minister can do to intervene to make sure Northern Rail properly grits all its stations on the route so that people can use the railways safely?

**Joseph Johnson:** I thank my hon. Friend for his suggestion. We continue to work closely with Network Rail to ensure the impact of severe weather on the system is minimised. Across road, rail and aviation, we want our transport system moving whatever the weather.

**Mr Speaker:** I always thought the hon. Member for Shipley (Philip Davies) had a substantial supply of grit all his own.

19. [903382] **Paula Sherriff (Dewsbury) (Lab):** My constituents can barely get a seat on the train, yet this month they have had the shoulder the biggest fare increases in the country. Although Whitehall and rail bosses crow about improvements to stations such as London Bridge, can the Minister tell me how such projects will benefit passengers in northern towns like mine?

**Joseph Johnson:** It is northern towns like the hon. Lady's that are going to be some of the principal beneficiaries of the replaced train fleet across the country. Passengers in her constituency will have improved, more reliable, safer and more punctual services.

### Transport Infrastructure: the North

9. **Mr Alister Jack (Dumfries and Galloway) (Con):** What steps the Government are taking to support investment in transport infrastructure in the north.

[903372]

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** As my hon. Friend will know, the Government are very committed to the northern powerhouse, and to giving the great towns and cities of the north of England more say over transport investment through Transport for the North. This Government are spending more than £13 billion to transform transport across the region—the biggest investment of its kind in the region for a generation.

**Mr Jack:** The commencement of regional flights from Carlisle, which we hope will happen later this year, will be welcomed by my constituents. Will the Department look at ways to add additional services and to make it faster to reach central London from Southend?

**Jesse Norman:** I share my hon. Friend's pleasure at the potential expansion of air services there, as elsewhere in the country. He should be aware that Greater Anglia provides train services from Southend Airport to London, and the entire franchise fleet is to be renewed, with more than 1,000 state-of-the-art vehicles and with the existing fleet retired by the end of 2020. That, combined with significant timetable changes, should mean that Greater Anglia is able to offer quicker, safer journeys, with reduced journey times, across the whole franchise—we are talking about something like 10%.

**Mr Clive Betts (Sheffield South East) (Lab):** Is it not the case that if the Government had not given the £2 billion bail-out to the operators of the east coast line, they would have had sufficient money to fund every electrification scheme that has been cancelled, including the midland main line, and have funds left over?

**Jesse Norman:** As the hon. Gentleman will be aware, there has been no bail-out. [Laughter.] I notice that Opposition Members are happy to quote from *The Times*, and may I remind them that the Secretary of State responded to the scurrilous editorial piece with a letter of his own setting out the position? There has been no bail-out of any kind.



**Alan Brown** (Kilmarnock and Loudoun) (SNP): I welcome the Minister to his post. On his opening remarks, may I remind him that there is a north beyond the northern powerhouse, and it is called Scotland? In general, in order to deliver high-quality, reliable rail services, funding needs to be based on the needs of the sector, taking account of future growth, the size of the network and essential maintenance. Does he agree with those sound principles?

**Jesse Norman:** I certainly share the hon. Gentleman's commitment to the fact that the north goes beyond the northern powerhouse—of course, I entirely agree with him on that. That is why the Government are involved with the borderlands growth deal, the precise point of which is to work with local authorities on both sides of the border. He will be aware that the high-level proposition to the UK and Scottish Governments on that was submitted last year. We will continue to work on that, and of course we will continue to invest in roads, alongside that process, to the extent that we can.

**Alan Brown:** On the principles I was trying to lay out, Scotland has 17% of the UK rail network but was allocated only 10.4% of the UK spend. The Government regulator, the Office of Rail and Road, has stated that £1.9 billion is needed for essential repairs and £2.3 billion is needed to meet future demand. So why was the funding formula cut and why were experts ignored, leaving Scotland with a £600 million shortfall?

**Jesse Norman:** As the hon. Gentleman will be aware, there has been a fiscal settlement which has changed over time, very much in consultation with and with the support of the Scottish Government. Of course, any changes to UK funding in England will be followed by Barnett consequentials, with an impact in Scotland.

**Rachael Maskell** (York Central) (Lab/Co-op): Well, investment does not seem to be working that well. The Carillion staff working on the Manchester-Bolton-Preston electrification project had their contract suspended this week. So can the Minister clarify this: should all these workers only expect the jobcentre phone number, as the Prime Minister said yesterday, or can he guarantee that these works, and all similar infrastructure undertakings, will continue to completion, with the current workforce, apprentices, supply chain and project plan?

**Jesse Norman:** The hon. Lady will be aware that this Government have made it clear that anyone turning up to work on those schemes through subcontractors will continue to be paid in the normal way. It is important to get that message out there, and not to spread misinformation or misunderstanding about it.

**Rachael Maskell:** The problem with the Minister's reply is that the vultures are already circling over the Carillion contract carcasses, which will place these projects into future risk, not least as companies such as Interserve and Mitie have had profit warnings served in the last six months. So what due diligence has he instructed officials to undertake of all contractors, and will he end his market speculation by taking these contracts back in house?

**Jesse Norman:** Had the hon. Lady done her homework, she would know that there is almost no exposure to the rail sector through the companies that she mentioned.

The fact of the matter is that the contracts have often been reinforced and proofed. Certainly on the road side, which I obviously know best—I can refer her question to the rail Minister—we have joint-venture partners that are jointly and severally obliged to pick up these obligations, and they will do so.

### Transport Fuels: Renewable Sources

10. **Dr Paul Williams** (Stockton South) (Lab): What steps his Department is taking to meet the target of at least 10% of transport fuels being from renewable sources by 2020. [903373]

13. **Dr Rupa Huq** (Ealing Central and Acton) (Lab): What steps his Department is taking to meet the target of at least 10% of transport fuels being from renewable sources by 2020. [903376]

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** In September, we published our response to the consultation on amendments to the Renewable Transport Fuel Obligations Order 2007. It set out proposals to meet the 2020 target and reduce carbon emissions from transport. A draft statutory instrument to implement the proposals was laid before Parliament on 15 January. Subject to parliamentary approval, the legislation will increase targets for the supply of renewable fuels from April 2018.

**Dr Williams:** Progress on the RTFO is positive. Are the Government ready to introduce E10 petrol, which is already available in France, Germany and Finland? That would also help the UK's bioethanol industry, which is an important employer in Teesside.

**Jesse Norman:** I am aware that the industry is an important employer, and it has been a matter of concern to Ministers to ensure that it continues to succeed. I met representatives from Ensus in the hon. Gentleman's constituency in November, and we have been having close conversations with them and others. E10 remains a commercial matter for the fuel suppliers. The RTFO encourages suppliers to use the most cost-effective solution. Our analysis suggests that E10 may not be required to meet the targets, but it may nevertheless be an attractive option for suppliers.

**Dr Huq:** Abellio's hybrid buses are generally a plus for the Uxbridge Road, but they are cancelled out by the ComfortDelGro group's diesel vehicles, which pollute the lungs not only of my constituents on our major thoroughfare but of people all over the country, as they are standard vehicles. Surely the Government should be doing more to encourage best procurement practice and to rid our roads of dirty diesel.

**Jesse Norman:** As the hon. Lady will know, the Government are investing hugely in support for electric vehicles and in improvements to air quality across cities and other parts of the country. That is very much with a view to mitigating the effects of diesel fume particulates.

**Karl Turner** (Kingston upon Hull East) (Lab): Fuel providers have stated that they require a Government mandate to introduce E10 fuel to avoid a breach of competition law. Will the Minister reconsider the possibility

of mandating E10 fuel? If not, will his departmental lawyers work with fuel providers to overcome this legal hurdle?

**Jesse Norman:** I thank the hon. Gentleman for his comment. He will be aware that we have this matter closely under review, and we are continuing to discuss it with suppliers and forecourt operators. In some other EU countries, there has been no such mandate and there has nevertheless been significant take-up.

#### **Southern Rail: Passenger Compensation**

11. **Tim Loughton** (East Worthing and Shoreham) (Con): What steps he is taking to ensure the provision of adequate compensation for passengers on Southern Rail as a result of poor service in the past 12 months. [903374]

**The Secretary of State for Transport (Chris Grayling):** My hon. Friend knows full well that I absolutely understand the difficulties that his constituents have faced. I hope he will accept that performance has improved over the past year, since the height of industrial action. We have had compensation arrangements in place, including the special compensation for past disruption, which saw £13.6 million paid to 58,000 passengers. We have also taken steps forward on the ways to implement Delay Repay and will keep the situation under review.

**Tim Loughton:** On 2 December 2016, the Secretary of State said in a written statement:

“Southern passengers have suffered from unprecedented and sustained disruption to their journeys during 2016”,

and offered some very welcome compensation for season ticket holders. The problem is that Southern passengers suffered from unprecedented and sustained disruptions to their journeys during 2017 as well. In fact, the punctuality figures for the most recent quarter are even worse. When are my constituents going to be compensated this year?

**Chris Grayling:** As I said, additional compensation measures are in place now. The issues that network currently faces are all to do with the condition of the infrastructure. My hon. Friend will know that we have just announced two major closures to allow upgrade works to take place, and there is a substantial ongoing programme of investment in that route, which I hope will make a significant difference.

**Mohammad Yasin** (Bedford) (Lab): Bedford commuters will lose their fast peak train services in May. Many now do not know how they will balance work with their childcare arrangements. Does the Minister agree that Stagecoach should compensate these people and rail users who, by the Government’s admission, have borne the pain of the changes to the rail network timetable?

**Chris Grayling:** I cannot promise—I wish I could—no change and no disruption as a result of major investment programmes. The hon. Gentleman will know that the combination of the upgrade to the midland main line and the Thameslink programme must mean, for an interim period, changes to services. There will in fact be more seats from Bedford in peak hours. Of course, many of the east midlands trains arriving at Bedford

are already full, so I absolutely regret the fact that we have to inconvenience passengers, but we cannot upgrade and improve the network without taking some difficult decisions.

#### **Bus Journeys: England**

12. **Liz McInnes** (Heywood and Middleton) (Lab): What estimate he has made of the number of journeys taken by bus in England in each of the last three years. [903375]

15. **Kerry McCarthy** (Bristol East) (Lab): What estimate he has made of the number of journeys taken by bus in England in each of the last three years. [903378]

16. **Lilian Greenwood** (Nottingham South) (Lab): What estimate he has made of the number of journeys taken by bus in England in each of the last three years. [903379]

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** The estimated number of passenger journeys made on local bus services in England in each of the past three years is as follows: 2014-15, 4.63 billion; 2015-16, 4.51 billion; and 2016-17, 4.44 billion.

**Liz McInnes:** My constituents regularly contact me to complain about infrequent and unreliable bus services. Does the Minister think that there is a link between that, the decline in bus usage, and the 33% cut to the bus budget since 2010?

**Jesse Norman:** What is striking is that in many ways there is so much to be optimistic about with the bus industry. When I talk to operators, I see great investments in technology and ticketing, and tremendous potential for the industry in the context of the air quality changes that have been made by this Government.

**Kerry McCarthy:** In Bristol, more than 85% of routes are provided by First Bus, which makes a healthy profit every year, but under current rules it cannot use those profits to subsidise commercially unviable routes, which may be really important to local people. Why cannot bus companies’ contracts stipulate that they have to run those services using their profits from income-generating routes, instead of letting them pocket the profits while the local council has to foot the bill?

**Jesse Norman:** It is not historically the job of Government to be intervening in the precise allocation of a company’s profitability. I note that there has been a substantial increase in journeys in Bristol, from 32.7 million to 39.9 million over the past three years. If the hon. Lady has some specific proposals, I will be happy to look at them.

**Lilian Greenwood:** Mr Speaker, I hope you will not mind if I take this opportunity to record my gratitude to both the emergency services and railway staff for their outstanding response to the fire at Nottingham railway station last week, ensuring that everyone was safely evacuated. Damage was minimised and services were restored very quickly.

Around a quarter of all concessionary passholders’ bus journeys are for medical appointments, yet many struggle with inaccessible and irregular bus services, and seven years of cuts to supported services have only exacerbated those problems. Research from Age UK

has found that 1.5 million people over 65 found it very difficult, or difficult, to travel to hospital appointments, and stressful, complicated or expensive public transport journeys inevitably lead to missed or cancelled appointments. Has the Minister discussed that pressing problem with colleagues in the Department of Health and Social Care, and what does he plan to do to address it?

**Jesse Norman:** I thank the hon. Lady for her comments and I absolutely associate myself with her support for the emergency services in relation to the fire in Nottingham.

In many ways, the concessionary fare scheme has been a colossal success, as the hon. Lady will be aware. Something like 12 million people have concessionary permits in this country and they make enormous numbers of journeys every year, heavily supported by Government.

**Matt Rodda** (Reading East) (Lab): Government cuts have led to the axing or downgrading of 400 bus routes, and passenger numbers are now at a 10-year low. Will the Minister reinstate those services, or, if he is unwilling or unable to do so, will he give local councils the power and resources that they need?

**Jesse Norman:** I welcome the hon. Gentleman to his position on the Opposition Front Bench, and I thank him for the question. Of course, these services are deregulated and operate, in many cases, in collaboration with local authorities, which receive substantial amounts of funding from central Government. We expect them to deploy that money as they see fit.

#### CAA: Pilot Health Requirements

14. **Patrick Grady** (Glasgow North) (SNP): What recent discussions he has had with representatives of the Civil Aviation Authority on health requirements for UK-based pilots. [903377]

**The Secretary of State for Transport (Chris Grayling):** The Civil Aviation Authority keeps such matters under constant review and has today announced that it will be issuing class 1 medical certificates with a restriction to applicants wishing to become commercial pilots where this is required for safety purposes.

**Patrick Grady:** The Secretary of State will be aware of the case of my constituent who has been denied his commercial pilot's licence on the ground that he is HIV-positive. I am not entirely sure what the Minister's answer means, but I hope it means that he will meet the CAA and the European Aviation Safety Agency very soon to stop them passing the buck, and let this pilot fly.

**Chris Grayling:** To reassure the hon. Gentleman, my answer means that today the rules are being changed, and while I cannot give a certain outcome to an individual case, people who suffer from conditions that have made it difficult for them to become commercial pilots will find it easier to become commercial pilots, as the CAA takes—I think—a more sensible approach to this matter.

#### Topical Questions

T1. [903388] **Priti Patel** (Witham) (Con): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Transport (Chris Grayling):** I echo the comments of the hon. Member for Nottingham South (Lilian Greenwood) about the emergency services' response last week. I pay tribute to all those who carried out works across the rail network over Christmas, giving up their Christmas holiday period for the investment programme.

I am proud to be from a party of opportunity. We are a party of opportunity that provided this country with its first woman Prime Minister. Today, we are the party that provides the first Muslim woman Minister to speak from the Government Dispatch Box—my hon. Friend the Member for Wealden (Ms Ghani). I congratulate her, and I am very proud to sit alongside her today.

**Priti Patel:** The Secretary of State will be aware that Essex adds over £35 billion to the economy; but our businesses that want to grow cannot grow, because of poor transport infrastructure. Will my right hon. Friend help those businesses by committing to back key projects such as the rail loop north of Witham, investment in the A12 and investment in the A120?

**Chris Grayling:** I absolutely understand the importance that my right hon. Friend places on transport links in Essex, which is why we are investing both in the county and across the country. Highways England is progressing the A12 improvements, which are now going through the consultation and design stages. On the railways, a number of improvements are required to the eastern main line, and the rail loop is one of those under consideration.

T2. [903389] **Judith Cummins** (Bradford South) (Lab): Does the Minister agree with me and the Transport for the North draft strategic transport plan that there is a compelling economic case for a northern powerhouse rail network stop in Bradford, both for my constituents and for the wider region?

**The Parliamentary Under-Secretary of State for Transport (Jesse Norman):** We are very closely studying the report by Transport for the North—a soon to be statutory body—and we will look at that scheme alongside others.

T4. [903391] **Sir Henry Bellingham** (North West Norfolk) (Con): Is the Minister aware that in west Norfolk we have a very active guide dogs group? They took me on a blindfold walk, which was a very moving experience. It brought home to me the number of obstacles that blind people face, such as unauthorised cars on pavements and unauthorised street furniture. What is the situation with the accessibility action plan?

**The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani):** I thank my hon. Friend for bringing the guide dogs group to the attention of the House. The Government are committed to ensuring that disabled people have the same access to transport and opportunities to travel as everyone else. The Department for Transport is currently analysing the responses received to its draft accessibility action plan and will publish the Government's response in the spring. The final action plan will be published in the summer, and will set out the Government's ambition for this agenda, based on the feedback provided, and the Government's timescales for delivery.



T3. [903390] **John Grogan** (Keighley) (Lab): Do Virgin East Coast's franchise promises to run trains every two hours from London to Bradford, Harrogate and Middlesbrough still hold good, or have they been scaled back?

**Chris Grayling:** There has been absolutely no change to any part of the terms of that franchise; as of today, there is absolutely no change. It is business as usual. I have set out in this House the challenges, but as of today, to be clear, nothing has changed—neither the service specification nor the contracts for franchise.

**Mr Philip Hollobone** (Kettering) (Con): Will the rail Minister be kind enough to agree to meet the Kettering rail users group to discuss how rail services might be improved to and from Kettering?

**The Minister of State, Department for Transport (Joseph Johnson):** Of course I would be delighted to meet representatives from the Kettering rail users group, and my hon. Friend.

T5. [903393] **Ronnie Cowan** (Inverclyde) (SNP): In my constituency we have the Greenock ocean terminal, from which goods are imported and exported around the world. What assurances can the Minister give me that Brexit will not adversely affect the transportation of goods by sea from my Inverclyde constituency?

**Chris Grayling:** I absolutely understand the importance for the future of our maritime sector—of shipping goods by sea. Indeed, I recently had the pleasure of visiting Montrose port to see the important work that it does for the east of Scotland. I can assure the hon. Gentleman that the maritime sector, while often not the highest-profile sector in these questions, is enormously important to this country.

**Luke Graham** (Ochil and South Perthshire) (Con): While many of us were enjoying our Christmas lunches, an army of Network Rail engineers were working hard making improvements and repairs across the country. Will the Secretary of State join me in congratulating them on their hard work and thanking them for it?

**Chris Grayling:** We often fail to appreciate the hidden army of people who support our transport system. Those who turned out over the Christmas period—with some extraordinary work was done—deserve all of our thanks. Whether it is the improvements in the north-west, the expansion of Liverpool Lime Street that has taken place over recent months or the extraordinary work at London Bridge, north and south we are seeing huge investment programmes that will make a difference to the passenger experience.

T6. [903394] **Sandy Martin** (Ipswich) (Lab): The Orwell bridge was closed again yesterday, forcing about 5,000 lorries from Felixstowe, the UK's largest container port, to take two hours each getting through Ipswich. Will the Secretary of State urgently meet me and other local MPs to expedite a northern bypass for Ipswich?

**Jesse Norman:** I will be delighted to meet the hon. Gentleman and colleagues about that. As he will be aware, the DFT was awarded £77 million at spring Budget 2016 for the upper Orwell crossings. That scheme was one of the first large local majors to be funded. We will happily revisit any discussion he wishes to have on this topic.

**Robert Halfon** (Harlow) (Con): Does my hon. Friend recognise that many hospitals around the country do not have good public transport links? For that reason, will he write to the Health Secretary urging him to scrap hospital car parking charges?

**Jesse Norman:** As my right hon. Friend will know, the first debate I ever secured in the House of Commons was on car parking charges at Hereford Hospital—*[Interruption.]*

**Mr Speaker:** Will the Minister face the House, and then everybody can hear?

**Jesse Norman:** I apologise, Mr Speaker. My first ever debate in the House was on car parking charges at Hereford Hospital, so I absolutely understand and share my right hon. Friend's concern. I am afraid that this has been the legacy of the Labour Government's investment in private finance initiative projects in hospitals in the period up until 2010.

T7. [903395] **Neil Gray** (Airdrie and Shotts) (SNP): The head of US aviation has stated that the UK had a month to outline an aviation safety strategy or be faced with costly disruption to transatlantic trade. What progress has the Secretary of State made on US aviation strategy post Brexit?

**Chris Grayling:** Since my appointment, in recent months I have had regular meetings with the US airlines and the US Federal Aviation Administration, and I have met and discussed these issues with my counterpart in the US Department of Transportation. We are making good progress with our successor arrangements for aviation after we have left the European Union.

**Justine Greening** (Putney) (Con): On what evidence are the Government now pushing ahead with what I believe to be a flawed plan for expanding Heathrow? The updated national policy statement shows that it is more expensive, lower value, more congesting, noisier, and provides fewer connections. Will the Secretary of State meet me to discuss this?

**Chris Grayling:** I know how strongly my right hon. Friend feels about this. She and I have had many conversations about it and I know that we will carry on doing so. She and I, of course, do not share the same view—I believe that this project is strategically important for the United Kingdom—but I am happy to carry on discussing it with her.

T8. [903396] **Stephen Lloyd** (Eastbourne) (LD): I was very disappointed recently when a Department for Transport publication on national strategic roads did not even mention the dualling of the A27 between Lewes and Eastbourne. Will the Secretary of State confirm in the House today that that was an oversight and that we will be looking to dual that shocking road?



**Chris Grayling:** The hon. Gentleman will know that his predecessor secured from me a commitment to allow the local authority to use funding allocated for the improvements to the A27 to review what the best options are east of Lewes. I wait to see the response of that work.

**Jack Brereton** (Stoke-on-Trent South) (Con): With the initial consultation currently open on “Shaping the Future of England’s Strategic Roads”, will the Minister confirm that the Secretary of State will look closely at the vital upgrade of junction 15 of the M6, serving Stoke-on-Trent?

**Jesse Norman:** I can certainly confirm that if that scheme is given the enthusiastic support of the local transport authorities involved, then we will look closely at it, as we would with all such bids.

T9. [903397] **Christine Jardine** (Edinburgh West) (LD): Given the importance to jobs and the economy of international connectivity through airports, such as Edinburgh in my constituency, will the Secretary of State say what discussions he has had with the European Commission about participating in the Open Skies agreement after Brexit?

**Chris Grayling:** We have two jobs to do for aviation post-Brexit. One is to conclude negotiations within the European Union, which will be part of the ongoing process of negotiating our successor arrangements, and the other is to negotiate successor agreements around the world. We are working on both those things right now.

**John Penrose** (Weston-super-Mare) (Con): On the east coast main line, rather than taking us back to the bad old days of British Rail, as the Labour party’s renationalisation proposals would do, will the Secretary of State instead consider the Competition and Markets Authority’s recommendations for more on-track open access choice and competition, with the far better quality and cost of rail services that it says would result?

**Chris Grayling:** There is no doubt that open access makes a difference. I do not think for a moment that those who, for example, live in Sunderland, Middlesbrough or Bradford and have services from Grand Central would say anything other than that open access has been a good thing. That is the area in which the private sector has really made a difference, bringing services to the network that never existed in the days of nationalisation.

**Jessica Morden** (Newport East) (Lab): With the Severn bridges at long last coming into public ownership on 8 January, will the Minister meet me to discuss the future operation of the bridges, including abolishing the tolls following the long local campaign?

**Ms Ghani:** I am sure the hon. Lady, on behalf of her constituents, will welcome the news that this Government are reducing or abolishing the tolls on the bridges. This will make journeys much more efficient and open up the area to much more economic opportunity. I am more than happy to meet the hon. Lady to discuss anything further.

**Dame Cheryl Gillan** (Chesham and Amersham) (Con): At a recent meeting with senior HS2 personnel, they promised to provide all MPs along the route of HS2 with advance notice of construction works in their constituencies. They have not done this. Will the Secretary of State ensure that they keep their promises?

**Chris Grayling:** I absolutely will—no question. I expect HS2 to be good corporate citizens as it embarks on this huge construction project. If there are examples of its failing to do so, I invite all Members to come to me and the Under-Secretary of State for Transport, my hon. Friend the Member for Wealden (Ms Ghani), who will be leading within my team on HS2. We will want to make sure that, where it is humanly possible to do so, we do the right thing by all those on the route.

**Dan Jarvis** (Barnsley Central) (Lab): What progress is being made on delivering bus franchising powers for elected Mayors?

**Jesse Norman:** As the hon. Gentleman will be aware, the Bus Services Act 2017 has created those powers. We are in conversations—my officials are in conversations—with Mayors in Manchester and elsewhere in the country, and we remain very interested in having further conversations with other Mayors who wish to avail themselves of these powers.

**Sir Patrick McLoughlin** (Derbyshire Dales) (Con): When can we expect a decision on the Transport and Works Act order application for the improvement of the Hope Valley line? The public inquiry was in May 2016 and it reported in November 2016, but so far the Department has been unable to say when we will get a decision.

**Chris Grayling:** I will seek to get things along. The Hope Valley line, as my right hon. Friend will know, is one part of the package of proposals—some new lines, some upgraded lines—that Transport for the North has brought forward for the northern powerhouse rail. I will seek to make sure that that process is concluded as quickly as possible.

**Nic Dakin** (Scunthorpe) (Lab): Will the Government work with businesses that supply renewable fuels to see what impact the renewable transport fuel obligation has on them, and will they continue to look to develop E10?

**Jesse Norman:** We have already consulted quite extensively, and we will continue to work with those businesses.

**Maggie Throup** (Erewash) (Con): May I welcome the new HS2 Minister to her place and take this opportunity to make an early plea, on behalf of the residents of Erewash who are directly affected by HS2, for an urgent review of the statutory compensation plans for residents and businesses and of the way in which HS2 Ltd is administering this process?

**Ms Ghani:** My hon. Friend has previously raised that with me, and I am pleased that she has raised it with me again today. I am more than happy to meet her and take on board any concerns she has on behalf of her constituents.

**Kevin Brennan** (Cardiff West) (Lab): Has the Secretary of State had a chance to look at early-day motion 775 about taking musical instruments on to aeroplanes? In his coming discussions on aviation, will he take the opportunity to meet the Culture Secretary to talk about how we might solve this real problem for musicians?

**Chris Grayling:** An airline's hand luggage policy is obviously a matter for the airline, but I am very happy to have a discussion with the hon. Gentleman about the issue. There may not be a simple solution, but I am always happy to talk to hon. Members about the challenges they face.

**Bob Blackman** (Harrow East) (Con): I congratulate my hon. Friend the Member for Wealden (Ms Ghani) on her appointment. Following her review of station accessibility, will she look carefully at the hundreds of applications from residents in my constituency for improvements at Stanmore and Canons Park stations which have not been provided by Transport for London, but will I hope be provided by the Government?

**Ms Ghani:** I thank my hon. Friend for welcoming me to the Dispatch Box, and of course I will meet him to discuss the matter further. I look forward to arranging that meeting.

**Chris Elmore** (Ogmore) (Lab): The Minister may be aware that the level crossing in Pencoed in my constituency will now not be improved because of the cancellation of electrification, and that is causing access issues and considerable safety concerns. I made this request to the previous Minister, so will the new Minister now meet me, and a representative of Pencoed Town Council, to start the process of closing that level crossing and improving the highways around Pencoed?

**Chris Grayling:** Decisions on electrification do not and will not in any way impede safety improvements. We have announced a large amount of money over the next five years, and I am happy to see what we can do to move this issue on rapidly.

**Mr Speaker:** A very short question is required so, of course, I look in the direction of the right hon. Member for New Forest West (Sir Desmond Swayne).

**Sir Desmond Swayne** (New Forest West) (Con): Is there an end to M3 night closures?

**Jesse Norman:** As my right hon. Friend will know, these are night closures because of the protections being offered to daytime running. Upgrading of smart motorway junctions has already taken place—junctions 2

to 4 are complete, and work on junction 6 is due to complete soon. Other work on junctions 9 and 14 is planned, but it has not yet commenced.

**Mr Speaker:** Can the hon. Member for Lancaster and Fleetwood (Cat Smith) match that brevity?

**Cat Smith** (Lancaster and Fleetwood) (Lab): The previous rail Minister agreed to meet me to discuss the reopening of the railway line to Fleetwood. Will the new Minister honour that and get Fleetwood back on track?

**The Minister of State, Department for Transport (Joseph Johnson):** I am very happy to honour that commitment.

**Mr Speaker:** Similarly brief, the hon. Member for Walsall North (Eddie Hughes).

**Eddie Hughes** (Walsall North) (Con): I will speak quickly. As the Minister said in his opening remarks, 2018 is the year of engineering. Will the new Minister, my fellow Brummie, say what the Government are doing to increase diversity within the engineering profession?

**Mr Speaker:** I give the hon. Gentleman permission to breathe.

**Ms Ghani:** I feel obliged to respond to a fellow Brummie. I congratulate the engineering envoy, my hon. Friend the Member for South Basildon and East Thurrock (Stephen Metcalfe), who I believe is sitting in the Gallery. The Government have launched the Year of Engineering—I did that myself on Monday at Crossrail—and we are particularly keen to open up engineering as a career for young girls and boys, especially those from black and Asian ethnic minorities. I urge Members to become ambassadors for science, technology, engineering and maths in their constituencies if they have not already done so.

**Paul Blomfield** (Sheffield Central) (Lab): The environmental impact assessment of the Government's decision not to electrify the Midland main line north of Kettering has revealed that 25 times more savings in carbon emissions would have been achieved with that electrification. If the Government are serious about their new commitment to the environment, will they think again about that decision?

**Chris Grayling:** I expect to see a transformation of technology on our railways over the coming years, with the introduction of different types of battery electric hybrid trains and hydrogen trains, and I see that as a priority. I want the first hydrogen train to operate on our rail network within a short period of time.

## Business of the House

10.37 am

**Valerie Vaz** (Walsall South) (Lab): Will the Leader of the House please update the House on the forthcoming business?

**The Leader of the House of Commons (Andrea Leadsom):** The business for the week commencing 22 January will include:

**MONDAY 22 JANUARY**—Second Reading of the Financial Guidance and Claims Bill [*Lords*].

**TUESDAY 23 JANUARY**—Remaining stages of the Nuclear Safeguards Bill, followed by consideration of Lords amendments to the Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill, followed by a motion relating to the appointment of a board member to the Independent Parliamentary Standards Authority, followed by a motion relating to the appointment of an electoral commissioner.

**WEDNESDAY 24 JANUARY**—Opposition day (8th allotted day). There will be a debate on an Opposition motion, subject to be announced.

**THURSDAY 25 JANUARY**—Debate on a motion on joint enterprise, followed by a general debate on the proscription of Hezbollah. The subjects for these debates were determined by the Backbench Business Committee.

**FRIDAY 26 JANUARY**—The House will not be sitting.

The provisional business for the week commencing 29 January 2018 will include:

**MONDAY 29 JANUARY**—Remaining stages of the Armed Forces (Flexible Working) Bill [*Lords*], followed by remaining stages of the Automated and Electric Vehicles Bill.

**TUESDAY 30 JANUARY**—Second Reading of the High Speed Rail (West Midlands - Crewe) Bill, followed by motions relating to that Bill.

**WEDNESDAY 31 JANUARY**—Opposition day (unallotted half day), subject to be announced, followed by a debate on motions relating to the restoration and renewal of the Palace of Westminster.

**THURSDAY 1 FEBRUARY**—Business to be nominated by the Backbench Business Committee.

**FRIDAY 2 FEBRUARY**—Private Members' Bills.

Mr Speaker, I am tempted to burst into song at this point, because a little bird has told me it is your birthday tomorrow, but I will spare the House that embarrassment and instead wish you a very happy birthday. And what better way to celebrate than by listening to the debates on tomorrow's valuable private Members' Bills proposed by the hon. Member for Westminster North (Ms Buck) and my hon. Friend the Member for Totnes (Dr Wollaston)? The first will ensure that homes are fit for human habitation and the second will give much greater protection from stalking.

This week we achieved a significant milestone by completing all stages of the European Union (Withdrawal) Bill in this place. We wish it well for its Second Reading in the other House the week after next.

**Valerie Vaz:** I thank the Leader of the House for announcing the forthcoming business. I note, however, that the restoration and renewal debate will take place after an Opposition day debate, so that allows us half

a day. That is quite surprising, given that the Government have tabled two motions, and it is almost like the motions were written for the previous debate. I can only think of a phrase that you, Mr Speaker, will be familiar with from tennis circles: the Government cannot be serious. It is as if the Joint Committee had never met. It took evidence and reported, but all the Government are doing through their motions is noting its report. Will they think again and retable the motions?

Last week, I asked for a list of ministerial responsibilities. I checked with the Vote Office today, and that has not been published, so will the Leader of the House please update the list?

The Prime Minister has made a speech on the environment, yet the Government vote against environmental protection and all the while trash Labour Wales. Let me put the record straight. She clearly has not read the briefing papers, because Labour Wales is either second or fourth in the world for recycling rates, depending on how they are calculated. Labour Wales introduced the 5p charge on plastic carrier bags in 2011; that happened in England in 2015.

Will the Leader of the House please explain why the Government are stifling growth in Wales? There has been no decision on the Swansea Bay tidal lagoon. The Government's own independent report, written by a former Minister, backed the tidal lagoon's "strong contribution" to the UK's energy. One hundred businesses and Members from across the parties have called for a decision. When will the Government make a statement on their position, or are they putting politics before people?

Will the Government put people first—before politics—and support the request from my hon. Friend the Member for Swansea East (Carolyn Harris) for a fund to help families with children's funeral costs? Will the Leader of the House confirm whether the Prime Minister actually said that the cost of burials is for the grieving? That might be right, but if the Prime Minister would meet my hon. Friend, she could explain that the fund would only be for those who cannot afford burial costs. Will the Government follow Labour Wales and do this in Martin Harris's memory?

Will the Government respond to yesterday's point of order made by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) and the motion passed in the Welsh Assembly yesterday about retaining Welsh law following our withdrawal from the EU?

It looks like we are back to the "casino economy"—my hon. Friend the Member for Bolsover (Mr Skinner) has left the Chamber, but that used to be his favourite phrase—which brings devastation to people's lives. Short sellers made £137 million when Carillion's share price fell by 70% over the course of three trading days following the July profit warning. Hedge funds were betting on the collapse of the shares of a company that provides vital public services. When will the Government make a statement on the urgent steps that they are taking following Carillion's insolvency? Will they set up a taskforce to support the innocent people who were doing their job on one day, but out of that job the next through no fault of their own?

When will the Government make a statement on why Richard Howson has a pay packet of £1.51 million from December, payable until October 2018, and is



[Valerie Vaz]

employed, while apprentices and other employees are being made redundant? May we also have a statement on why the Wood Group won a lucrative contract to carry out inspections, as the sole supplier, at the Government's new Hinkley Point nuclear power plant, with Mr Howson as a director? Could the Leader of the House say whether directors' disqualification proceedings have started against him and the other directors of Carillion?

Banks were the beneficiaries of quantitative easing, so will the Government ask them to quantitatively ease small business suppliers and pay them within the Government's own deadline of 30 days? Will the Government ensure that the prompt payment code is now mandatory and not voluntary? That is why we need a taskforce, with a grid and a timeframe, as well as a debate so that the Minister can update the House next week.

This week, we remembered Martin Luther King, and it is sad that the President of the United States did not follow the tradition of previous Presidents and do public service. Martin Luther King looked beyond the colour of people's skin to the content of their character. We also remember Cyrille Regis, who died this week. He looked beyond the racist chants and provided inspiration to many.

We have been offered the Bayeux tapestry. It depicts events in 1066, but we prefer to remember another Frenchman, Jules Rimet, and the events of 1966.

Finally, Mr Speaker, I wish you a happy birthday. I do not know whether you look at the horoscopes, but they say that Capricorns have a secret desire

"to be admired by their family and friends and the world at large"—

it could not be more apt.

**Mr Speaker:** I am not sure I am going to argue with that one.

**Andrea Leadsom:** I am very tempted to give an opinion about that, Mr Speaker, but perhaps in private rather than in public. At our recent outing with the Youth Parliament, I certainly think that you had universal approval. Its Members were certainly delighted with your support for them, as are many people right across the country who are very grateful for your interventions to support those who do not always have their voice heard, so I would concede that your Capricornian enthusiasm is being met well.

I am grateful to the hon. Member for Walsall South (Valerie Vaz) for her comments and questions, and specifically for her point about Martin Luther King. I pay tribute to her, because she often raises the important progress that has been made on issues of equality. I am grateful to her for that, for what she is doing on the working group on harassment, and for her continual support through it for equality. That is incredibly important.

The hon. Lady asks about the restoration and renewal of the Palace of Westminster. The reason for the motions is that we want to be very clear that this is a decision for the House. The House needs to decide whether we can afford to justify the work that undoubtedly needs to take place to restore this Palace—a UNESCO world heritage site, with over 1 million visitors a year—at a time when there are great fiscal constraints. It is a

genuinely open decision that the House needs to make, and what the Government have sought to do, taking into account the broad range of views across the House on what should happen, is to put forward, first, an open discussion about whether the House is willing to bear the cost from the taxpayer's purse. Secondly, if the House does believe that now is the time, we need to think about how can we go about doing these things to ensure the very best value for taxpayers' money. That is incredibly important.

The hon. Lady asked me to look at the update of ministerial responsibilities. I will absolutely take that point away and do that.

The hon. Lady talks about environmental protections and the work that Labour has done on recycling in Wales. I would point out to her that this Government were a key contributor to one of the greatest and first truly global legally binding agreements to tackle climate change—the Paris agreement. We decarbonised our economy faster than any other country in the G20 during 2016. And, of course, there was the fantastic piece of news that in June 2016, for the first time, wind, nuclear and solar power generated more UK power than gas and coal combined. So the UK as a whole is doing an incredibly good job in decarbonising and tackling climate change. It is also this Government who have kept 9 billion plastic bags out of circulation through the 5p charge, which has generated £95 million to be spent on good causes. That is incredibly important.

The hon. Lady raises the issue of Swansea Bay. As she knows, that is still under review. It is an incredibly expensive project, so it is vital that we get good value for taxpayers' money.

On the cost of burials for children, I am very sympathetic to the hon. Member for Swansea East (Carolyn Harris), who has raised this with me in the Chamber a number of times. I will continue to look at whether more can be done but, as hon. Members will be aware, funeral directors and/or local councils often pick up such costs. The question is whether there should be something more centrally managed to address that, but I pay tribute to the hon. Lady for what is a very good campaign.

The shadow Leader of the House talked about Carillion, which is an incredibly important issue for the Government, as all Members will appreciate. There was a statement just this week from the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster. He has made it clear that the Government are working on contingency plans. This is a very troubling time for many employees of Carillion, as well as those who are contractors and those providing public services. The Government will absolutely undertake to ensure that all public services continue to be paid for, and that those employees continue to be paid for the work that they do. There are many different resources for people, including a helpline from the Insolvency Service for businesses and employees who want more information. This is a difficult time, but the Government are doing everything they can, as rapidly as they can, to try to resolve issues and to preserve as many jobs as possible.

**Several hon. Members rose—**

**Mr Speaker:** Order. As usual, a great many hon. and right hon. Members are seeking to catch my eye, and I am keen to accommodate the level of interest.



However, it might be useful for the House to know that there is a Select Committee statement to follow, and that approximately 50 hon. Members are seeking to contribute to the two debates to take place under the auspices of the Backbench Business Committee later today. Therefore, if I am to accommodate the level of interest, or to get anywhere near to doing so, there is a premium on brevity from Back and Front Benchers alike.

**Sir Robert Syms (Poole) (Con):** I welcome the debate on restoration and renewal. I also welcome what the Leader of the House said about there being a genuine choice in that debate. It is important to do emergency repairs, but it is also quite right to reflect before we set up a delivery authority, because a lot of public money would be involved and we have to justify to our constituents that this is the right thing to do. May I therefore commend the Leader of the House on her approach?

**Andrea Leadsom:** I am grateful to my hon. Friend for his contribution. He is right: this needs to be a decision of the House. It is vital that we take into account the value and importance of this building as a historic national icon that attracts many hundreds of thousands of tourists, schoolchildren and so on, and that is, of course, the seat of our democracy. On the other side of the equation, it is vital that we consider the costs to the taxpayer and value for taxpayers' money.

**Pete Wishart (Perth and North Perthshire) (SNP):** Happy birthday for tomorrow, Mr Speaker. The card is in the post; you will receive it tomorrow morning. I thank the Leader of the House for announcing the business for next week.

As the repeal Bill heads off to the House of Lords, we have failed to address the devolution-threatening clause 11, even though we were promised that these issues would be dealt with by the Secretary of State in a series of Government amendments. Apparently it is all to be dealt with in the House of Lords—somewhere with which the Scottish people have no democratic relationship whatsoever. I really hope that this will all be resolved properly. To me—[*Interruption*—]it looks like we are taking power back—[*Interruption.*] Excuse my coughing; there was a bit of Theresa May about that.

To me, it looks like we are taking power back from, in some people's words, unelected EU Eurocrats, only to hand it over to unelected Lords, aristocrats and bishops—but I suppose they are British unelected Lords, aren't they? Apparently, to help the Government to get their Bill through the Lords, 13 new Government peers will be ennobled. And we have the gall to lecture the developing world about patronage and the quality of its democracy! Not to be outdone, apparently we are to get three new Momentum-style Labour Lords. I suppose those Comrade Lords will be donning the ermine for the few.

I suppose we should be grateful that we are at least getting half a day for restoration and renewal, but the Leader of the House seriously needs to think again about the time being afforded. There is huge interest in the issue, and I am already sensing the hon. Member for Gainsborough (Sir Edward Leigh) being wound up to spring forward and table a series of amendments. I appeal to the Leader of the House to think about the

time allocated and to ensure that we get sufficient time to debate these issues, in which there is great public interest.

Talking about time, we wasted two hours yesterday on the simple process of recording our votes. Throughout the passage of the EU repeal Bill, we lost some 14 hours standing in packed Lobbies doing absolutely nothing. We have to seriously review how we do our work in this place. We have to replace the antiquated relic that is the way we vote in this House with electronic voting. I do not come to this House to stand in packed Lobbies; I come here to debate and to make sure that we participate. That is what our electors expect us to do; the Leader of the House has to get that sorted.

**Andrea Leadsom:** I am grateful to the hon. Gentleman for, as ever, expressing myriad thoughts.

As has been made very clear, amendments to clause 11 of the European Union (Withdrawal) Bill will be tabled in the Lords, the sole reason being the fact that the constructive talks with the devolved Administrations have not reached a conclusion. Surely the hon. Gentleman agrees that it is better to get that right than to rush it.

The hon. Gentleman gave his view of the other House, of which he is plainly not a fan. My view, and the view of many Members, is that the other place does an incredibly valuable job in revising and improving legislation. There is some real expertise there, and we count on being able to add it to the work of this elected House. I, for one, support it.

The hon. Gentleman talked about restoration and renewal, and paid tribute to my hon. Friend the Member for Gainsborough (Sir Edward Leigh) for all sorts of jumping up and down. I have not seen my hon. Friend do that, but he and I have had many discussions about R and R, and will continue to do so throughout the process.

Finally, the hon. Gentleman mentioned electronic voting. The House has considered that in the past and will keep it under review, but, as we have seen over the last couple of days, after a period when the House has not sat, meeting in the Lobbies and having an opportunity to raise issues with Ministers and other colleagues and share information is often incredibly valuable. [*Interruption.*] The hon. Gentleman is shouting from a sedentary position that it is all right for us, but I sometimes meet him to discuss issues that are of common interest across the House. I personally feel that the Lobby has a valuable role to play in our democracy.

**Nicky Morgan (Loughborough) (Con):** One of the roles of the House is to scrutinise the work of the Government. May I ask my right hon. Friend to help me to obtain proper answers to two written questions that I tabled to the Department for Exiting the European Union about the publication of a position paper by the Government on services, which constitute 80% of our economy, and financial services, which will employ more than 1 million people, during the Brexit negotiations? The answers that I have received so far have been sent from an account called "No reply", and they truly live up to that title.

**Andrea Leadsom:** I am genuinely sorry to hear that, and I shall be happy to take the matter up with the Department on behalf of my right hon. Friend. I should

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add, however, that—as my right hon. Friend the Secretary of State for Exiting the European Union said last night, when he paid tribute to many Members on both sides of the House—the Government have been shown to be listening very carefully to proposals for improvements to the Bill, and have adopted many of the suggestions made by members of all parties.

**Paula Sherriff** (Dewsbury) (Lab): My constituency is plagued by dangerous drivers in high-performance cars. Loopholes in insurance rules mean that, although many are not adequately insured, they are able to abuse the system and stay under the police radar. May we have a debate about closing those loopholes to make our roads safer?

**Andrea Leadsom:** I thank the hon. Lady for raising an issue that is very important to people in her area, as she often does. I encourage her to seek an Adjournment debate so that she can discuss the specific examples that she has in mind.

**Will Quince** (Colchester) (Con): I, too, welcome the motions relating to the repair and renewal of our historic Parliament. However, given that people and organisations throughout the country are having to make some really tough decisions, will the Leader of the House ensure that, having debated those motions, we exercise financial prudence in whatever decision we make about the future of the House?

**Andrea Leadsom:** My hon. Friend is right to point out that, whatever we do—whether we decide to look at the issue again later in the parliamentary Session, or whether we decide to take action now—at the heart of our decision must be the need to secure the best possible value for taxpayers' money.

**Ian Mearns** (Gateshead) (Lab): May I wish you a happy birthday for tomorrow, Mr Speaker? I would guess that we do not yet have to warn the London Fire Brigade about the potential for a conflagration from the cake.

I am grateful to the Leader of the House for providing a debate on restoration and renewal in Government time, but on the basis of the application for a debate on the subject that the Backbench Business Committee has already received, I suspect that a half-day debate may not be sufficient to assuage Members' thirst, and that a subsequent debate in Back-Bench time may well be necessary. An awful lot of Members are very interested in discussing the pros and cons because whichever option is taken will not be cheap, and there are significant potential costs to the public purse as a result of whichever option we go for.

There is also an important debate this afternoon about RBS Global Restructuring Group, but will the Leader of the House think about having a debate in Government time about banking practice generally in the aftermath of the international financial crisis? I am aware of significant numbers of additional cases involving Lloyds, Allied Dunbar and many other banks in the banking system that have caused grievous problems to SMEs around the country, putting people into penury.

**Andrea Leadsom:** I certainly, of course, would welcome the Backbench Business Committee deciding to have a further debate on R and R. The hon. Gentleman raises an important point about the demand for debate on that. If Members want to do a tour of the basement to avail themselves of some very useful information prior to the debate, the engineers stand ready to provide those at their convenience. It is very enlightening, so if you—I am sorry, if Members—I am sure that you, Mr Speaker, have already done it—wish to do that, please do.

The hon. Gentleman raises the important point about the way banks have treated SMEs. As City Minister, I had some grave concerns about that and investigated a number of cases. I am sure that he will have support from hon. Members if he wants to suggest further debates at the Backbench Business Committee.

**Sir Edward Leigh** (Gainsborough) (Con): I am grateful to the Chair of the Backbench Business Committee for awarding me and 19 other colleagues a debate on the restoration and renewal of Parliament on Thursday 1 February because this has now forced the issue and we are now going to have a good debate. Can the Leader of the House say more about that?

If the second motion comes up for a vote because the first motion has not been passed, will the second motion be amendable? The motion I was going to put down for the Backbench Business Committee day debate was amendable, and was on the clear premise that, while we would set up a sponsoring authority, it would be on condition that this debating Chamber should stay in the Palace for the whole time. So if the second motion is passed, it is very important that it is amendable, so that this point of view can be put to the House.

**Andrea Leadsom:** Because of the seriousness of the decision before the House, the two motions will not be amendable; it will be a case of either the first motion or, if that falls, the second motion.

**Nick Smith** (Blaenau Gwent) (Lab): Today's *Financial Times* reports pandemonium at some Carillion construction sites, and at PMQs yesterday there were no answers to concerns about the future of thousands of apprentices across the country, and there is much complexity over the various pension pots. May we have a Government statement on their progress in responding to this calamity?

**Andrea Leadsom:** We are of course taking every possible action to try to resolve the inevitable uncertainty when a company of this size gets into financial difficulties. The hon. Gentleman is right to focus on the issues for apprentices. My right hon. Friends are looking very carefully at what can be done. For those seeking advice, a webpage has been set up by the Insolvency Service, and there is also a dedicated website set up by the special managers PwC to provide more information to those individuals. The Government have set up a group to discuss the issues with trade unions and industry representatives, so as to be able to ensure that we get to the bottom of this as soon as possible.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. At approximately 11.40 am we will need to move on to the next business, so may I very gently say to colleagues that although I understand the

desire to give some context and preamble before asking a question, Members who now proceed with what is probably a scripted and rather long question will be doing so knowing that they are stopping colleagues taking part? So may I appeal to colleagues to help each other?

**Mr Ian Liddell-Grainger** (Bridgwater and West Somerset) (Con): We need a debate on Carillion. We have had a disaster in Taunton, just outside my constituency, where the roadworks went over time and over budget. It was a shambles. It is time to have a debate now, please.

**Andrea Leadsom:** My hon. Friend raises an important issue, which the Government are looking closely at. I encourage him to seek an Adjournment debate on any specific issues that relate to his constituency.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Is the Leader of the House aware that many people believe that the pressure on the health service is partly due to the collapse of the social network support services in our communities? May we have an early debate on what is going on in community support services?

**Andrea Leadsom:** There are many community support services that do an incredibly good job in further supporting people's health needs, not least those involving the health implications derived from loneliness. The Prime Minister has announced that we have now appointed a new Minister to tackle that specific issue. The hon. Gentleman will be aware, however, that the NHS is now funded even more than it ever has been, with a further £6.3 billion of new funding announced in the Budget. The Government are determinedly tackling the need to recruit more doctors and nurses and to ensure that the NHS is able to meet the very particular demands that it faces this winter.

**Philip Davies** (Shipley) (Con): Did the Leader of the House see the opinion poll last week that showed that 84% of the people want money to be diverted from the overseas aid budget to the NHS? May we have a debate and a vote on this issue, so that we can see how out of touch this House is, once again, with public opinion at large?

**Andrea Leadsom:** My right hon. Friend the Secretary of State for International Development has made it clear that she will ensure that the generosity of the British people towards international aid is put to the best use, and that she will be ever more demanding that we focus on those areas that other Governments cannot begin to deal with themselves. It is important to focus on the UK's generosity with regard to aid in crisis, to supporting the rights of women and girls and to dealing with some of the problems of the very poorest in the world. It is the right balance that we should give to those who are far worse off than we are, as well as increasing funding for our vital NHS, as we have done.

**Stephanie Peacock** (Barnsley East) (Lab): May I wish you a happy birthday for tomorrow, Mr Speaker? Last week, I visited the Cudworth food bank, and I want to pay tribute to its work. May we have an urgent debate in Government time on food poverty and on why, following

the roll-out of universal credit, this Government think it is acceptable for my constituents to choose between heating and eating?

**Andrea Leadsom:** I echo the hon. Lady's tribute to the work of volunteers in food banks. They do a fantastic job. With the roll-out of universal credit, the Government have listened to Members across the House and to Citizens Advice. We have raised the value of advances. We have also ensured that people can get their universal credit on day one. We have reduced the waiting time to nothing and enabled transitional funding for people who are in private housing accommodation. People are always better off in work, but these measures will ensure that, as they transition to universal credit, the transition is made easier for them.

**Craig Tracey** (North Warwickshire) (Con): Following the publication of the motions on restoration and renewal, may we have a statement to update the House on what lessons have been learned following the reported cost overruns on the current Elizabeth Tower project?

**Andrea Leadsom:** My hon. Friend makes a good point. I was extremely concerned to hear about the cost overrun on the Elizabeth Tower. The House authorities were certainly also disappointed, and they have learned lessons. They have tried to ensure that the proposal for an Olympic-style delivery authority to oversee the restoration and renewal of the Palace will reflect the absolute need to ensure that the project, if it happens, is done with the best value for money for the taxpayer in mind and the tightest possible control on costs.

**Vicky Foxcroft** (Lewisham, Deptford) (Lab): In 2017, 80 people were stabbed and murdered in London, and there were 37,000 knife-crime offences—an increase of 26%. This is an epidemic and a tragedy, and it must stop. The current approach is clearly not working, and a new approach is required. We need a cross-departmental debate in Government time on how to tackle the root causes of youth violence, so will the Leader of the House schedule time for one?

**Andrea Leadsom:** All Members are incredibly concerned about the incidence of knife crime, particularly among young people. I am sure that the hon. Lady will be aware that the Home Office is reviewing the matter and taking evidence and will be coming out with proposals for how to tackle the problem.

**John Lamont** (Berwickshire, Roxburgh and Selkirk) (Con): Jo Cox was a fantastic advocate for improving the lives of those who suffer from loneliness, and it is brilliant that that work will continue through the Jo Cox Commission on Loneliness with the support of the Minister for Sport and Civil Society. May we have a debate on what more can be done to ensure that nobody, young or old, finds themselves alone and without social interaction?

**Andrea Leadsom:** My hon. Friend is right, and I am happy to pay tribute to Jo Cox's work, which inspired the Commission on Loneliness in her name. It is shocking that more than 9 million people in the UK always or often feel lonely. The Minister for Sport and Civil Society will now take forward the important work that



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the Jo Cox Commission has started, and I wish her great success. For my part, tackling loneliness is one of my top priorities in my constituency of South Northamptonshire, and we have tried to establish regular coffee mornings in some of my 92 villages, which goes some way towards getting people out to meet each other.

**Mr Ben Bradshaw** (Exeter) (Lab): May we have a statement from the Education Secretary about the completely inexplicable decision by the Education and Skills Funding Agency to reject Exeter College's bid to continue to deliver apprenticeships in local small businesses, despite it having one of the best records in England? I warn the Government that there will be serious consequences for the provision of apprenticeships in my local area.

**Andrea Leadsom:** I am sorry to hear about that. I encourage the right hon. Gentleman either to seek an Adjournment debate or to raise the matter at Education questions since it is a very specific point.

**Alex Chalk** (Cheltenham) (Con): At a time when Cheltenham General Hospital needs capital investment in its emergency department, will hon. Members have the full opportunity to make the point that spending wildly disproportionate sums on this place will be unacceptable to my constituents and risks damaging the very democracy that we seek to uphold?

**Andrea Leadsom:** My hon. Friend is a keen advocate for his constituency. That is precisely the reason why we need to discuss affordability and value for taxpayers' money as we seek to restore this Palace of Westminster, which is old and in a bad state of repair.

**Thangam Debbonaire** (Bristol West) (Lab): Following the restoration and renewal debate, may we have a debate in Government time about making this place and all public buildings truly autism-friendly?

**Andrea Leadsom:** The hon. Lady raises a good point. In looking at restoration and renewal, there is no doubt that considering issues such as autism-friendliness and making facilities appropriate for other disabilities will be absolutely vital should we decide to spend the money to repair this place.

**Robert Halfon** (Harlow) (Con): May we have an urgent statement on the sensitivities around domestic violence? My right hon. Friend will know of recent tragic fatal cases in my constituency. Sadly, a senior Labour councillor, Mike Danvers, made a joke yesterday about beating one's wife and, incredibly, that was supported as a colloquialism by the manager of Harlow and District chamber of commerce. Does my right hon. Friend agree that we should condemn that, that the councillor should resign, that the manager of the chamber of commerce should apologise, and that we should be sensitive about domestic violence?

**Andrea Leadsom:** My right hon. Friend is exactly right. There is nothing funny or at all amusing about domestic violence, and I certainly agree that people in public life need to be extremely careful about the jokes they make. I reassure my right hon. Friend that the

Government are absolutely committed to stamping out domestic violence. We will be introducing a draft domestic violence and abuse Bill. Tomorrow, we will be considering the Stalking Protection Bill of my hon. Friend the Member for Totnes (Dr Wollaston). It is vital that we do everything we can to stamp out domestic violence.

**Jim Shannon** (Strangford) (DUP): In 2006, Algeria introduced a decree stipulating that permission must be obtained from the state before using a building for non-Muslim worship. Since then not a single permission has been given to build new church premises and many churches have been closed. Will the Leader of the House agree to a statement outlining steps to encourage the Algerian Government to cease the closure of churches and to issue permits so that churches can continue?

**Andrea Leadsom:** The hon. Gentleman raises an important point about religious freedom, as he often does in this Chamber, and I encourage him to seek an Adjournment debate to take it further.

**Mary Robinson** (Cheadle) (Con): May we have a debate on the importance of the marine environment? Many of my constituents have written to me on this subject. Will the Leader of the House join me in celebrating the excellent steps the Government are taking to ban microbeads?

**Andrea Leadsom:** I am delighted to share my hon. Friend's pleasure in the Government's work on banning microbeads used in some cosmetics and other products. She is right that protecting our marine spaces is vital, and this Government have done so much. We are creating a marine blue belt around our overseas territories, and we are determined to stamp out the problem of plastics in our oceans.

**Layla Moran** (Oxford West and Abingdon) (LD): In a Public Accounts Committee hearing this week, we heard the explosive fact that learndirect did not just take Ofsted to judicial review over its damning report but took out a super-injunction that served to stop Government bodies discussing learndirect during that time. That is outrageous behaviour. May we have a debate on the conduct of companies funded by public money?

**Andrea Leadsom:** The hon. Lady has great expertise in this area, and she raises an important point. I can tell her that the chief executive of learndirect has written to the Chair of the Public Accounts Committee on this issue. On learndirect's specific legal costs, the Department for Education defines what is eligible expenditure of moneys provided for training but, as she would expect, any income over and above that can be used at the provider's discretion.

**Mr Alister Jack** (Dumfries and Galloway) (Con): Will my right hon. Friend provide for a debate in Government time on the progress of domestic preparations to leave the EU, both with and without a deal?

**Andrea Leadsom:** I am delighted that my hon. Friend has the appetite for yet more debate, over and above the 64 hours we have just gone through. There will be many opportunities to have further debates and discussions.



I absolutely assure him that the Government are determined to make sure that we leave the European Union in a way that works very well for our EU friends and neighbours and for the United Kingdom.

**Diana Johnson** (Kingston upon Hull North) (Lab): This week Public Health England showed that in the most deprived parts of the country that are hit hardest by austerity, such as my constituency in Hull, life expectancy has fallen since 2011, breaking a peacetime trend going back to Victorian times. Can we please have a debate in Government time on why this has happened?

**Andrea Leadsom:** I also saw that report, which is of course very concerning. As I understand it, there are complex reasons for the fall, some of which are related to lifestyles, loneliness, mental health and so on. It needs to be carefully considered. If the hon. Lady wants to discuss the issues affecting her area in particular, I encourage her to seek an Adjournment debate.

**Dr Matthew Offord** (Hendon) (Con): A number of constituents have contacted me asking that the Government stick to their manifesto pledge to replace inclusivity rules that prevent the establishment of Roman Catholic schools. Will the Leader of the House ensure that the new Secretary of State for Education comes to the House to update us on the Government's progress?

**Andrea Leadsom:** My right hon. Friend the new Secretary of State for Education has quite a lot to grapple with in his first few days, but I am sure he will be delighted to answer questions on that subject at the next Education oral questions.

**Alison Thewliss** (Glasgow Central) (SNP): I have received some wonderful and moving letters from young constituents at Garnetbank Primary School and St Mungo's Academy regarding the unfair treatment of asylum seekers and refugees under the current family reunion rules. May we have a debate on all those issues so we can all stand up for refugee children across the world?

**Andrea Leadsom:** The issue of refugee children is a very grave one, and this country has been very generous in taking in refugee children. As the hon. Lady will know, the UK-French summit is taking place today; there will be further discussions at the summit about refugee children who are trying to cross over into the United Kingdom. We can all be proud of the fact that Eurostat figures show that in 2016 the UK resettled more refugees from outside Europe than any other EU member state.

**Eddie Hughes** (Walsall North) (Con): I remind the House that a world heritage site is one that is of great importance to current and future generations across the world. I seek an assurance that in the difficult choices we have to make on the restoration of this building, we will be considering not just our own purposes in this building, but those who visit every year.

**Andrea Leadsom:** My hon. Friend is exactly right; that is the choice facing us. This is an incredible building and it is not just of value to us. We have more than 1 million visitors here every year; many tourists come here, and hundreds of thousands of schoolchildren come here as an iconic part of their education. This is

one of the most famous sites in the world, so we have a duty, not just to ourselves but to our fellow countrymen and to the next generation of schoolchildren, to ensure we make the right decision.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): One of my communities, Portland Street in Hanley, is being blighted by the sale of black mamba. Drug deals are being done in a BT phone box, conveniently turned away from CCTV. I have asked BT to move it, as have the police and the council, but because of what it is being used for it is making money. May we have a debate in Government time about businesses' responsibilities to local communities who are suffering crime?

**Andrea Leadsom:** The hon. Lady has done a good job in raising this issue in the House today, and I am hopeful that she will see some pretty rapid action as a result. I encourage her to seek a Back-Bench debate on the subject of what more businesses can do. Many of them are very diligent in supporting their communities, but she is right to say that all businesses should be doing the same.

**Paul Masterton** (East Renfrewshire) (Con): If we want to make our economy fit for the future and ensure we have the secure, well paid jobs people in my constituency desire and deserve, improving productivity is key. May we have a debate on improving productivity, particularly given the recent Office for National Statistics figures showing the largest quarterly rise in UK productivity since 2011?

**Andrea Leadsom:** My hon. Friend is quite right; the excellent productivity news is good, but there is much more to do. Britain's productivity has long lagged behind that of our competitors and has been weak ever since the financial crisis of 2009-10. That is why our industrial strategy is focused on improving productivity, investing in research and development, improving skills, upgrading infrastructure and promoting the best possible environment for new and growing businesses.

**Neil Gray** (Airdrie and Shotts) (SNP): Leaving aside my views on the project, the Government's approach to restoration and renewal has today moved from circus to farce. It is approaching 18 months since the Committee I served on reported, with clear recommendations. If the Leader of the House is to take this House seriously and wants a proper debate, will she allocate a full day, make sure the motions are substantial and amendable, and come back again to ensure that the issue is given a proper debate?

**Andrea Leadsom:** It is astonishing that the hon. Gentleman says the Government are not taking this seriously. This is a matter for the House; the House needs to decide whether taxpayers' fiscal issues can be outweighed on balance by the need to restore the Palace of Westminster. It is properly a debate for the House, and Government time is being given to that. Hon. Members will recognise that the Government have moved the date to a Wednesday for the convenience of Members, who made it clear that they did not want this debate to take place on a Thursday. What the Government are doing is facilitating a discussion and a decision by Members of this House, and it is right that we should do that.

**Mr Philip Hollobone** (Kettering) (Con): As the second most fatal cancer, bowel cancer kills 16,000 people every year. Will the Leader of the House join me in congratulating the bowel cancer screening team at Kettering General Hospital on the 10th anniversary of their successful and life-saving work, which has detected 800 cancers and 3,000 potential cancerous growths? May we also have a statement from the Department of Health and Social Care on similar successful initiatives across the NHS?

**Andrea Leadsom:** I am very happy to pay tribute to Kettering General Hospital for those excellent results. We should all be proud of the Government's target of better results for cancer patients overall.

**Andy Slaughter** (Hammersmith) (Lab): I am delighted that, as the Leader of the House said, the Government will tomorrow support the private Member's Bill promoted by my hon. Friend the Member for Westminster North (Ms Buck) on the fitness of housing for human habitation, especially as it represents a damascene conversion from their previous stance. Will the Government also support my private Member's Bill on the extension of the Freedom of Information Act to private sector companies that undertake public sector contracts? Such an extension might have alerted us sooner to the chaos at Carillion that both the company and the Government kept to themselves for too long.

**Andrea Leadsom:** I am certainly happy to look into what the hon. Gentleman says. He will appreciate that private Members' Bills are exactly that and that it is for the Member to seek support from right hon. and hon. Members from all parties. I wish him luck in doing that.

**Maggie Throup** (Erewash) (Con): As we start to debate the restoration and renewal of the House, will my right hon. Friend reassure us that as part of that debate we will consider the safety and security not only of Members and the people who work here but of the people who visit? That is so important.

**Andrea Leadsom:** Yes, my hon. Friend is right to raise the fact that when we restore the House we will address, largely, some of the issues relating to safety in this place. There are risks from problems with water, electricity, sewage and asbestos, and there are risks of fire and so on. The House is always maintained at a safe level, but there is no doubt that its restoration and renewal would solve those problems for much longer than we are able to ensure with the "patch and mend" approach that we currently have to take.

**Paul Flynn** (Newport West) (Lab): In the Welsh Assembly yesterday, Mark Isherwood, a Conservative Member, won by 31 to two a vote on a motion asking this House to re-legalise medicinal cannabis. Will the Government follow suit and give a fair wind to my private Member's Bill, which would liberate seriously ill people from the threat of prosecution for using their medicine of choice?

**Andrea Leadsom:** The hon. Gentleman has championed this issue in the House. As he knows, the Government keep the matter under review, but it is not our policy to legalise the use of cannabis.

**Bob Blackman** (Harrow East) (Con): Will my right hon. Friend arrange for a statement to be made on improved co-operation on intelligence, defence and security, along with the decision to allow more unaccompanied child refugees to come to this country, which will result from President Macron's visit today?

**Andrea Leadsom:** I think we all welcome President Macron's visit to discuss further co-operation between the British and French. We already have a very strong bilateral relationship with France, particularly, as my hon. Friend mentions, on matters such as security and the migrant situation in Calais. I am sure that updates will be provided to the House following today's summit.

**Mrs Madeleine Moon** (Bridgend) (Lab): My constituent Gemma Hartnoll founded the charity Wings Cymru to tackle period poverty. Too many young people in schools, homeless people and those who need food banks cannot afford sanitary products. May we have a debate in Government time on how we can tackle this very personal and intimate crisis?

**Andrea Leadsom:** I share the hon. Lady's concern about this issue, which can be humiliating for young people. I absolutely empathise with her point and encourage her, at least in the first instance, to seek an Adjournment debate so that she can hear from a Minister what more can be done.

**Stephen Kerr** (Stirling) (Con): Earlier this week, the Business, Energy and Industrial Strategy Committee published an important report on the safety of electrical goods in the UK that highlights some serious safety concerns about 1 million Whirlpool tumble dryers and plastic-back fridge-freezers. The matter requires an urgent response from the Government, so when can we have a statement?

**Andrea Leadsom:** I encourage my hon. Friend to write to the Department for Business, Energy and Industrial Strategy to seek its thoughts. I would be happy to take up the matter on his behalf.

**Cat Smith** (Lancaster and Fleetwood) (Lab): In the light of the collapse of Carillion, do the Government intend to make a statement on the decision to award the Department for Work and Pensions facilities management contract to Interserve, another company with huge debts and a large pension deficit that has issued numerous profit warnings?

**Andrea Leadsom:** As the hon. Lady will be aware, the Chancellor of the Duchy of Lancaster has already made a statement, and I am sure that he will make further such statements. The Government are very focused on looking at this from every aspect. I have been absolutely reassured that all Government contracts are kept closely under review, as indeed the ones with Carillion were. As she will know, the decision was taken following profit warnings that Carillion contracts would be awarded as joint-venture contracts, to ensure continuity should something happen. Equally, she must understand that profit warnings in themselves do not mean that it would be legitimate then to rule out a company from being able to accept Government contracts.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. The pressure is growing for short single-sentence questions without preamble, to be brilliantly exemplified, I feel sure, by Mr Drew Hendry.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Government continue to fail to act on the fact that consumers in the highlands and islands pay 2p to 6p more per unit for their electricity than those in other areas due to unfair network and distribution charges. May we have a debate in Government time on how to end the shabby treatment of people in the highlands and islands and other rural areas?

**Andrea Leadsom:** That is an issue that I was very concerned about as Energy Minister, but the hon. Gentleman will appreciate that, to a large extent, electricity prices in the highlands and islands and the subsidies and extra support are a devolved matter. There were many debates on fuel poverty and on the support available for people through that. What the Government are doing, which is not a devolved matter, is introducing the energy price cap. The Prime Minister has made it her personal priority to bring forward proposed legislation to ensure that people are treated fairly.

**Jo Stevens** (Cardiff Central) (Lab): Cardiff Central Labour councillor Ali Ahmed is currently in Bangladesh with representatives of the Cardiff Bangladesh association, presenting a £40,000 cheque for the Rohingya relief effort. May we have a debate in Government time on the genocide caused by the Burmese military, which has created the refugee problem in Bangladesh?

**Andrea Leadsom:** The whole House is very concerned about the humanitarian crisis that has been caused by Burma's military. Many Rohingya have been killed and more than 650,000 have fled to Bangladesh. The hon. Lady will be aware that the UK is one of the biggest donors to the Rohingya refugee crisis, and the Department for International Development has stepped up efforts with an additional £59 million to support the latest influx of refugees. We had a debate only recently on the plight of the Rohingya people, and she may well wish to seek a further Backbench Business debate to hear more from Ministers.

**Mr Jim Cunningham** (Coventry South) (Lab): Can we have a debate or a statement on the public services in relation to the retention of pay? As the Leader of the House will know, many staff are leaving their profession—teachers and public service workers—and there have been closures in Coventry. Can she do something about that?

**Andrea Leadsom:** I think the hon. Gentleman is talking about retention of public sector staff. *[Interruption.]* Yes. As he will be aware, in the NHS, for example, there will be 5,000 new nurse training places each year starting this September. The Government are committed to ensuring that we retain staff: for example, many more teachers are returning to teaching following a career break. What is important is not just retention, but attracting people back after a period of time and of course getting new people into public sector professions, which is something on which the Government are focused.

**Patrick Grady** (Glasgow North) (SNP): May we have a debate on the capacity of UK border and immigration MP hotlines? My office needs to urgently raise the case of Gospel Oholi, a talented young footballer and refugee who wants to take part in a Partick Thistle training academy in Portugal. Can a Minister come to this House and explain how MPs are supposed to raise these cases if we cannot get through to the hotlines?

**Andrea Leadsom:** If there is a problem with hotlines, the hon. Gentleman should raise it with the Department. I am happy to do it on his behalf if he emails me, and I will take it up for him. With regard to the individual case, he could perhaps raise it at departmental questions.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): This Chamber rightly sees a lot of robust partisan politics, but we should never forget the ethos of public service, which I believe motivates the vast majority of elected representatives in the UK. There was no better example of that than my friend and colleague Councillor Kieran Quinn, the leader of Tameside Council, who tragically collapsed on Christmas eve and died on Christmas day. He was just 56. I know that there are many colleagues who plan to be in Greater Manchester for the funeral on Monday. I ask the Leader of the House to join me in praising the life, work and commitment of local leaders like Kieran, who do an incredible job in difficult circumstances, often at great cost to themselves and their families.

**Andrea Leadsom:** The hon. Gentleman is absolutely right to pay tribute to his constituent councillor, and to all those who give so much of their time, very often unpaid or by working extra time that is unpaid, in serving their community. We owe them all a debt of gratitude.

**Nic Dakin** (Scunthorpe) (Lab): May we have a statement about the impact of the removal of employment and support allowance mortgage interest support on people such as my constituent Jonathan Parsons, registered blind, who had paid into the system all his working life?

**Andrea Leadsom:** I am sorry to hear about the case that the hon. Gentleman raises. He may want to raise that at departmental questions as a specific constituency case.

**David Linden** (Glasgow East) (SNP): TotsBots in my constituency manufactures eco-friendly reusable nappies, but there have been examples of companies that are falsely advertising and the nappies go to landfill sites. May we have a debate in Government time about false advertising and the damage it causes to parents?

**Andrea Leadsom:** False advertising is incredibly harmful, and if the hon. Gentleman has examples of such incidents he should certainly raise them with the Department. He may well wish to initiate an Adjournment debate on that.

**Alex Norris** (Nottingham North) (Lab/Co-op): Last Friday, Nottinghamians woke up to the awful news that our recently redeveloped train station was ablaze. Will the Leader of the House allow a debate in Government time to consider the terrific work done by Nottinghamshire fire and rescue and the police and council in tackling the fire and having things running again within a day?



**Andrea Leadsom:** I think we all realise what a debt of gratitude we owe to our fire officers, who do such an amazing job, so quickly and at so great a risk to themselves. I absolutely pay tribute to them, alongside the hon. Gentleman.

**Liz McInnes** (Heywood and Middleton) (Lab): With my hon. Friend the Member for Hammersmith (Andy Slaughter), I would like to request an urgent debate about requiring private companies providing public services to be subject to the same standards of openness and transparency as the public sector, so that companies like Carillion can no longer hide behind commercial confidentiality.

**Andrea Leadsom:** The hon. Lady raises an important point, again in the context of what has happened with Carillion. She may rest assured that the Government will be looking carefully at whether we can improve processes as a result of this experience, but equally she must recognise that there is great value to the taxpayer in being able to use private sector companies to deliver some services that are of much better value and efficiency to the public sector than bringing them all in-house.

**Martin Whitfield** (East Lothian) (Lab): On 6 December 2017, the Secretary of State for Scotland gave undertakings with regard to an amendment in the European Union (Withdrawal) Bill. May we have a statement clarifying the record and explaining why it was not met?

**Andrea Leadsom:** I encourage the hon. Gentleman to take that matter up directly with the Secretary of State at Scotland Office questions.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): Only Iran and the House of Lords, with its bishops, incorporate religious clerics into their legislatures, and next week in the House of Commons we will have Church of England questions. May we have a debate in Government time about moving away from a medieval set-up and separating the UK state from the Church?

**Andrea Leadsom:** The hon. Gentleman mentions an extremely controversial idea, which would have significant constitutional implications. As a first port of call, he may well wish to raise that at Church Commissioners questions next week.

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): Mr Speaker, I am grateful for being called last—it gives me an additional chance to exercise. Will the Leader of the House recognise the concerns of hard-working GPs in Plymouth that primary care is in a state of crisis, with GPs working to the point of exhaustion? May we have a debate about the state of primary care?

**Andrea Leadsom:** GPs do a fantastic job and we are all incredibly grateful to them. We know that they are under pressure. We know that there are numerically more doctors now than ever before, but equally there are greater demands on their time than ever before. That is why the Government have provided an extra £6.3 billion of funding for the NHS at the last Budget, to ensure that we can meet the demands that are being made on GPs and others.

**Mr Speaker:** I am very grateful to the Leader of the House and to colleagues for their succinctness in enabling us to finish on schedule.

We now come to the Select Committee statement. The Chair of the International Development Select Committee, Mr Stephen Twigg, will speak on his subject for up to 10 minutes, during which—I remind colleagues who have forgotten the procedure, or inform them if they were not aware of it—no interventions may be taken. At the conclusion of his statement, I will call Members to put questions on the subject of the statement and invite the hon. Gentleman to respond to those in turn. Members can expect to be called only once. Interventions should be questions and should be brief. The Front Bench may take part in questioning. I call the Chair of the International Development Select Committee, Mr Stephen Twigg.

## Bangladesh and Burma: Rohingya Crisis

### SELECT COMMITTEE ON INTERNATIONAL DEVELOPMENT

#### *Select Committee statement*

11.39 am

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): I am grateful to you, Mr Speaker, and to the Backbench Business Committee for allowing me time, on behalf of the International Development Committee, to speak to the House today about our second report of this parliamentary Session, “Bangladesh and Burma: the Rohingya Crisis”.

The scale and depth of the suffering of the Rohingya has rightly given rise to substantial activity in this House. As well as inquiries by my Committee and the Foreign Affairs Committee, we have had an urgent question, debates both on the Floor of the House and in Westminster Hall, and a significant number of parliamentary questions. The International Development Committee is examining DFID’s work in Bangladesh and Burma, and this report is our first output.

The dire circumstances of the Rohingya are of course ongoing. In addition to the £59 million that DFID has allocated to humanitarian aid for the Rohingya, there will doubtless be calls for further emergency relief as this crisis continues. Additionally, DFID’s budget for more conventional, longer-term development aid in Burma and Bangladesh next year will total about £170 million. We are examining that in the next stage of our inquiry.

I pay tribute to the people and the Government of Bangladesh and to the many organisations and individuals who have been working in Cox’s Bazar and elsewhere to assist the Rohingya people. The Rohingya have been devastated by decades of marginalisation and abuse, leading to the events of the past six months, which the United Nations has rightly described as a “textbook example of ethnic cleansing”

perpetrated by the Burmese security forces. This week we have heard deeply disturbing reports of a possible agreement between the Governments of Bangladesh and Burma to repatriate displaced Rohingya. The potential return of over 100,000 Rohingya to Burma without any clear understanding of their legal status or knowing anything about their final destination is of course of very grave concern.

Early in the conflict, the Government presented a five-point plan to help galvanise the international community into action. The plan involves the cessation of violence by the Burmese; guaranteed humanitarian access to the affected parts of Burma; repatriation, but only on a voluntary basis, with safety guaranteed; full implementation of the Annan advisory committee’s recommendations; and, crucially, full, unimpeded access for, and co-operation with, the United Nations Human Rights Council’s fact-finding mission. Our evidence is unequivocal that none of those strands of the plan are anywhere near being realised today.

Our report looked at the previous periods of displacement of the Rohingya and, indeed, other minority groups over the past two decades. In no instance was the outcome satisfactory, and the Committee has little confidence that it will be any better this time. The idea that the

Rohingya could be returned to live in internment camps controlled by the Burmese military is surely completely unacceptable.

We welcome the £59 million commitment that the United Kingdom Government have made to respond to the crisis, and, in particular, the swiftness with which that was pledged. However, the Government of Bangladesh have told us that they expect the cost of effective provision of basic services for the displaced Rohingya eventually to total more than £1 billion. The Geneva conference in October secured commitments to provide about a quarter of that sum—£266 million. There is clearly still a huge funding gap, and other donors need to rise to the challenge in the way that the UK Government, to their credit, have done.

We expressed particular concern about large-scale gender-based violence committed by the Burmese military. This is not something new. Predecessor International Development Committees have reported on this, in 2006 and 2014. The Governments of the time, in their responses to those reports, agreed with the Committees’ harrowing assessment about the Burmese army using rape as a weapon of war. Our own evidence heard that this situation is, if anything, worse than ever. ActionAid stated in its evidence to us:

“Girls as young as 5 years of age have been reported to have been raped by multiple uniformed actors, often in front of their relatives. There are reports of rapes being widespread, extremely violent, and accompanied by mutilation. There are reports of pregnant women being attacked and their foetuses removed from their bodies.”

We were very disappointed that the Government seem reluctant to commit their full specialist sexual violence team to the region. This flies in the face of the commitment made by the former Foreign Secretary Lord Hague to give a big focus in UK policy to this issue. In conflicts where rape, sexual violence and torture are used, it is essential that official, contemporary, reliable evidence-gathering by forensic professionals occurs as quickly as possible. The Burmese Government’s claim that they have investigated and that their investigation clears their armed forces of wrongdoing are, in the words of our own Government, “simply not credible”.

There are also issues arising in the camps in Bangladesh. Poor lighting, the lack of privacy around toilets and washing facilities, and the absence of any security for women and girls who work outside the camps have created an environment that is fundamentally unsafe, particularly for women and girls. As we were told in evidence, women and girls are therefore more likely to be victims of trafficking, and more likely to find themselves forced into early—including childhood—marriages.

The most effective way to deal with any crisis is of course to prevent it from happening in the first place. There is nothing new about this situation with the Rohingya. Human Rights Watch has been reporting on the ethnic cleansing of the Rohingya and asking for action by the international community since at least 2013. Since 2015, the United States Holocaust Memorial Museum’s early warning project has identified the Rohingya as one of the world’s vulnerable populations most at risk of genocide. The disparity between what the international community was saying about the conflict and what we were told by these civil society organisations is very stark. Its effect is that there has not been the quick, effective response from the international community that might have prevented this from happening.

[Stephen Twigg]

In fact, our evidence suggests that in some ways the opposite has happened. The continued engagement by the United Kingdom and other countries with the Burmese authorities seems to have been interpreted by their military as tacit acceptance of their treatment of the Rohingya people. We also note that there has been considerable over-optimism about the speed and breadth of democratic reforms in Burma.

In conclusion, the Rohingya crisis provided the international community with an immediate test case for the 2016 consensus reached at both the world humanitarian summit and the New York declaration on displaced people, including refugees. It is clear that the commitments made in 2016 have been tested to destruction by this crisis. It is vital that the United Kingdom continues our commendable commitment to humanitarian aid. The five-point plan is welcome, but it would be totally unacceptable for repatriation even to be considered until we see fundamental change in Burma itself. Surely we owe it to the Rohingya refugees and to the Rohingya who still remain in Burma to continue to give the House's attention to the crisis. I thank you, Mr Speaker, and the House for giving me the opportunity to raise this issue today.

**Bob Stewart** (Beckenham) (Con): I know there is a problem with UN peacekeeping in the region, but what is the feeling about the Security Council coming to an agreement to put in peacekeepers? There is a dire need for them.

**Stephen Twigg:** That is a very important question. It falls a little outside the remit of our inquiry, so it is not a matter on which we took a lot of evidence or reached conclusions in the report. The hon. Gentleman has raised a very important point, and it may be an issue on which our Committee and the Foreign Affairs Committee can work together. Ultimately, if there is to be a point at which the Rohingya feel they can go back, they will need guarantees, and I personally think he is right that peacekeepers could form part of the solution.

**Imran Hussain** (Bradford East) (Lab): I thank the Chair and all members of the International Development Committee for an informative report that goes further than previous reports. Does my hon. Friend agree that there continue to be serious concerns regarding the terms and conditions of repatriation? Where will refugees return to when all their houses and villages have been burned? What human rights protections will people be afforded once they return, and what stops genocide happening again? Surely the British Government must now change their stance, which is more focused on the rights of the Rohingya as opposed to the transition to democracy. The Rohingya must have a voice at the table if we are to achieve democracy.

**Stephen Twigg:** I thank my hon. Friend for his question and for his passionate advocacy of the Rohingya cause. I know that his constituency contains a significant Rohingya diaspora community, on whose behalf he speaks. I agree that the Government's approach needs to place greater emphasis on the protection of the Rohingya, and indeed other minorities in Burma—that was what we alluded to when we said that there was

“over-optimism” about the pace of democratic reform in that country. I also agree that conditions simply are not yet there, and—to put it bluntly—are unlikely to be there in the foreseeable future, to allow any significant voluntary return of the Rohingya to Burma.

**Tom Tugendhat** (Tonbridge and Malling) (Con): I welcome my hon. Friend's report—he is a good friend—and I thank him for continuing the work that many of us have taken up on the Rohingya cause and for the work of his Committee in broadening out into various different areas. Does he agree that there are a series of problems in Burma, not least the multiple insurgencies involving different ethnic groups? Focusing on the Rohingya is essential not just because it speaks to Burma, but because it speaks to the wider problem of diaspora and refugee populations. Getting this right is essential, not just for solving the problems in Burma, but for addressing many of the other problems that arise in refugee situations around the world.

**Stephen Twigg:** I thank my hon. Friend, the hon. Gentleman who Chairs the Foreign Affairs Committee, and I pay tribute to that Committee for the report it published late last year. We sought to develop and supplement that report, rather than repeat it, and the work of that Committee in describing this crisis as a crime against humanity was an important contribution to the debate. He is right: this crisis is important in its own right, but there are enormous lessons for situations in other parts of the world, including in parts of Africa where there is a massive displacement of people, and the world seems incapable of getting its solutions right.

**Richard Burden** (Birmingham, Northfield) (Lab): I congratulate my hon. Friend on the powerful way he introduced the Committee's report. Does he agree that one of the most tragic things for many Rohingya who have fled Burma is the fact that their relatives have simply disappeared? Paragraph 138 of the report suggests that the International Commission on Missing Persons should get involved in Burma and Bangladesh and use their data-matching techniques to try to identify the remains of those who have disappeared, and—hopefully down the line—to ensure proper accountability for these crimes.

**Stephen Twigg:** My hon. Friend is an active and valued member of the International Development Committee, which he rejoined having previously served on it in a predecessor Parliament, and he is right to draw attention to our recommendation on that important issue. Understandably, in a crisis that has moved so quickly and at such scale, there has been a focus on immediate humanitarian relief, but it is vital that those questions of justice and accountability are also addressed. The report by the Foreign Affairs Committee addressed those issues in some detail. Our report contains an important addition, and I thank my hon. Friend for reminding the House of that.

**Mr Speaker:** I served with the hon. Member for Birmingham, Northfield (Richard Burden) on the International Development Committee for—if memory serves me correctly—four and a half years, and I can



testify to the truth and accuracy of what has been said by way of a tribute to his work and his passion for the issues raised.

**Robert Halfon** (Harlow) (Con): I thank the hon. Member for Liverpool, West Derby (Stephen Twigg), and his Committee, for their remarkable work. Aung San Suu Kyi was a previous heroine of mine. Has this report analysed why there has been no action from her, and why she has been so unusually disappointing in the tragedy that has occurred?

**Stephen Twigg:** Like the right hon. Gentleman, everyone on the Committee felt a huge sense of disappointment at the lack of words from Aung San Suu Kyi. It was not the main focus of our inquiry, but we did take evidence on it, as is reflected in the report. Even at this stage, she has an opportunity to speak out and provide leadership. The evidence that we and the Foreign Affairs Committee took from Mark Farmaner, from Burma Campaign UK, was clear that her voice could make a real difference. Of course, we are also saying that in the end it is the military in Burma who hold the reins of power and that it is for them to change, but if she spoke up, I think it would be more likely that they would change their position.

**Chris Law** (Dundee West) (SNP): The report is clear in highlighting where the UK Government have been slow to act. I hope they have been listening and, in particular, will now allow these 70 experts in gender-based violence to get out there as soon as possible. Does the Chair agree, however, that particular attention must be given to a clear and decisive plan for repatriation, not just on security and safety but on the legal status of every Rohingya who voluntarily goes back to Burma, and that the international development agencies need to have oversight at each and every stage?

**Stephen Twigg:** I pay tribute to the hon. Gentleman. He is a new member of the Committee, having joined after last year's election, and serves with distinction. He is absolutely right that if there is to be any sort of process of repatriation we need assurances about the legal status made available to any returning refugees. There is a particular issue about babies born in refugee camps and what status they might have if they return. We say in the report that as well as the Governments of these two countries, we need to listen to the Rohingya themselves, and we need the community leaders in the camps to be heard and to have their say on behalf of the Rohingya if there is to be any possibility of voluntary repatriation.

**Mr Philip Hollobone** (Kettering) (Con): I commend the hon. Gentleman for his statement and his Committee for its report. It says that 870,000 Rohingya have fled Burma to Bangladesh since 2012 and that 660,000 of them have done so only since last August. The largest camp, Kutupalong, which I visited with other MPs in November, is now equivalent in size to Bristol but does not have a hospital, has inadequate schools and not enough roads, is one of the most densely populated refugee camps in the whole world and is very vulnerable to an outbreak of disease. Does the hon. Gentleman agree that, whether the Rohingya are in Burma or Bangladesh, the fundamental problem is that they are stateless and that until that issue is resolved, their rights will never be properly protected?

**Stephen Twigg:** The hon. Gentleman is absolutely right. This is one of the most fundamental issues we need to address. The position of those who are displaced and, as he rightly says, the status of those Rohingya in Burma—those who have not fled or who have returned—need to be resolved. The international community needs to take this issue seriously and engage with the Burmese Government on it. He is right to remind the House about the sheer scale of this displacement over a very short period. That is partly why I pay tribute to the Bangladeshi people and Government. In reality, the vast majority will be there for some time, so there is a big job of work to do to ensure that services such as health and education are made available to refugees who—let us face it—are likely to be in Bangladesh for years.

**Tony Lloyd** (Rochdale) (Lab): This is an excellent report, and my hon. Friend rightly praises the Government of Bangladesh for their efforts, but it needs to be recognised that they need not validate the actions of the Burmese army in recognising the permanent status of the Rohingya. That is important if we are to move to the next stage of giving support to the 50,000 women who will give birth this year after being raped and providing more permanent shelter before the cyclone season. This is an excellent report, but we have to move to that next stage and give support to the Bangladeshi Government and people.

**Stephen Twigg:** My hon. Friend is absolutely right. No two situations are the same, but we can learn lessons from other countries that have taken large numbers of refugees. One of the proposals that was made to us, and which we highlight in the report, was for the creation of a special development zone in Bangladesh, similar to what has happened in Jordan, to enable job opportunities for both the Rohingya and, crucially, the host population, the local Bangladeshi population.

**Paul Flynn** (Newport West) (Lab): All of us who visited the Kutupalong site had an experience that was overwhelming and heartbreaking. We heard at first hand the terror of the refugees at the possibility of repatriation, and the only possible practical way to achieve that is with support from the United Nations or the British Army. We have a wonderful record of peacekeeping in these impossible circumstances. Is that not the best way, although a very difficult way, to go forward and to ensure there can be a long-term solution?

**Stephen Twigg:** I thank my hon. Friend. In a sense, that question takes us back to the question from the hon. Member for Beckenham (Bob Stewart) at the beginning. I absolutely agree. One of the dangers with these crises is that they hit the headlines for a time, and then the attention of the media and the political world moves on. It is vital that we do not allow that to happen. This is about addressing the crisis now but also being there to support long-term solutions, and a potential role for UK peacekeepers is part of that.

**Kate Green** (Stretford and Urmston) (Lab): I thank my hon. Friend for his statement, and the Committee for this important report. He and other colleagues have talked about the trauma that has been suffered by victims of sexual and gender-based violence and by

[Kate Green]

those who have lost relatives without knowing whether they will ever know where their remains are buried. Does my hon. Friend agree that, in addition to the immediate need for humanitarian and medical aid, there will be a real need to give priority to long-term psychotherapeutic services for the victims in Bangladesh and for those who return to Burma?

**Stephen Twigg:** I very much agree. [Interruption.] Welcome to the Chair, Madam Deputy Speaker. I raised this issue yesterday at Department for International Development questions, in the context of Yemen. The excellent organisation War Child has made the suggestion that at least 1% of all humanitarian aid should be spent on mental health and psychosocial support. For anyone who has been through this sort of conflict, and for children in particular, it is vital that they get that support.

**The Minister of State, Department for International Development (Alistair Burt):** I do not have a question, but following agreement with Mr Speaker a moment ago, I just want to say thank you to the Chair of the Select Committee for his work and to the members of the Committee and those who have spoken today. There will be a response from the Government in due course in the usual manner, but, of course, the matter will be a subject for discussion for some time to come.

The Committee has rightly put a spotlight on a situation that is unlikely to ease soon—a desperate situation. I want to assure the House that it is a matter of focus every single day for the Foreign and Commonwealth Office and DFID. That is true of not only the plight of the Rohingya at the moment—I was in Geneva last week to speak to international organisations about that—but the need for a solution for them, and that remains a priority for the Government. I thank the hon. Gentleman and colleagues again for the report.

## Backbench Business

### RBS Global Restructuring Group and SMEs

[Relevant documents: Oral evidence taken before the Treasury Committee on 31 October 2017, on The work of the Financial Conduct Authority, HC 475; Written evidence received by the Treasury Committee, on The work of the Financial Conduct Authority, HC 475; Correspondence between the Chair of the Treasury Committee and (a) the Chief Executive of the Financial Conduct Authority and (b) the Chief Executive of Royal Bank of Scotland, relating to the report into the Royal Bank of Scotland Global Restructuring Group, reported to the House and published on 14 September, 17 October, 25 October, 31 October, 28 November 2017 and 17 January 2018.]

**Madam Deputy Speaker (Mrs Eleanor Laing):** Before we begin today's debates, I should point out to the House, though it is obvious, that a great many people wish to speak this afternoon, and we obviously have limited time—just under five hours—for two important and heavily subscribed debates. Sometimes on Thursdays, we are a little bit lenient with time, but the recommendation from the Backbench Business Committee is that the person moving a motion should take around 15 minutes of the House's time. Over the last few weeks, that has risen to well over half an hour, but today I am going to enforce the 15-minutes—or thereabouts—limit. That means about 17 minutes, not 27. I should also warn the House that, after the motion has been moved, there will be a limit on Back-Bench speeches, initially of five minutes, but that is likely to fall to four minutes. This is good; it is because there is so much interest in the subjects that we are debating this afternoon.

12.4 pm

**Clive Lewis (Norwich South) (Lab):** I beg to move,

That this House is deeply concerned by the treatment of small and medium-sized enterprises (SMEs) by the Global Restructuring Group of the Royal Bank of Scotland; notes that there are wider allegations of malpractice in financial services and related industries; believes that this indicates a systemic failure to effectively protect businesses, which has resulted in financial scandals costing tens of billions of pounds; further believes that a solution requires the collective and collaborative effort of regulators, Parliament and Government; and calls for an independent inquiry into the treatment of SMEs by financial institutions and the protections afforded to them, and the rapid establishment of a tribunal system to deal effectively with financial disputes involving SMEs.

May I echo your comments, Madam Deputy Speaker? As generous a soul as I am when it comes to interventions, I will limit the number I take to two or three, if at all possible, because I understand that Holocaust Memorial Day is also a crucial issue that everyone here would want to see debated fully afterwards. None the less, there are a lot of Members here, on both sides of the House, who want to speak about an issue that has deeply affected many of their constituents and small businesses across the country. I thank hon. Members for their support for this important debate, as well as the Backbench Business Committee for allowing the time, particularly the Chair, my hon. Friend the Member for Gateshead (Ian Mearns). He has made it clear to me and others that he was keen for the debate to take place, and here it is.

As the details of the various scandals that have hit our financial services sector trickled out over the last few years, I think we all started by treating the stories we heard with a certain scepticism. They just did not seem to make sense. Indeed, when I read letters from one of my constituents, my first reaction was to think that the story he was telling simply could not be true. “No bank could have dared to behave in such a brazenly outrageous way,” I said to myself. My constituent, Andi Gibbs, was forced by his bank, RBS, to buy an interest rate-hedging product, which should have protected his business against rising interest rates, but in fact drained it of cash. RBS then placed the business into its Global Restructuring Group. He lost his business, his home, his marriage and, I think it is fair to say, almost his sanity. His crime: nothing more than being an entrepreneur who banked with RBS.

**Nick Smith** (Blaenau Gwent) (Lab): Does my hon. Friend agree that the RBS Global Restructuring Group had real cultural problems? When its top tips included the advice,

“Rope: Sometimes you just have to let customers hang themselves”, there is clearly something very wrong occurring.

**Clive Lewis:** I agree with my hon. Friend. We know that 16,000 small businesses were put into GRG from 2008, and the vast majority were liquidated. That tells us all we need to know. This was meant to be somewhere from which they could try to come back as viable businesses, but far from being an intensive care unit, it was more like an abattoir, where they were stripped and taken apart.

**Mr Philip Dunne** (Ludlow) (Con): Does the hon. Gentleman agree that one reason why many Members found this story almost unbelievable—a story that affects so many of our constituents—was that the conditions of any settlements agreed by the GRG with businesses that were in trouble included gagging orders, or confidentiality agreements, which have prevented them from speaking openly about the plight that they have faced?

**Clive Lewis:** I agree with the hon. Gentleman. Indeed, some businesses ended up in GRG simply for saying, “I’m not happy with my bank. I want to move.” When we talk about how they were “stressed”, we should also be aware that the bank used this term as it saw fit. Many businesses were treated appallingly, and the hon. Gentleman raises the point very clearly.

As time has gone on, we have discovered that Andi Gibbs is not alone. He is not even one of hundreds, but one of thousands. As many Members will be aware, the stories keep coming, backed up by evidence. It has now become clear that we have not just a series of individual scandals, but a full, systemic failure that needs to be addressed by this House. However, I want to focus briefly on what got us here and, more importantly, how we work toward a constructive solution.

**Sir Vince Cable** (Twickenham) (LD): Does the hon. Gentleman share my disgust that, four and half years after I referred, as Secretary of State, many of those cases—the Tomlinson report—to the Financial Conduct Authority, we still have only an interim report? Is he aware that the BBC has seen a copy of the final report? It contains the following incriminating phrase:

“Management knew or should have known that this was an intended and co-ordinated strategy and that the mistreatment of business customers was a result of that”,

and the head of GRG responsible for that policy, Mr Nathan Bostock, is now chief executive of Santander.

**Clive Lewis:** That is a very valid point. I hope we will hear from the Government today that there will be action on this issue. Owners of small and medium-sized businesses, including many of my constituents and those of other Members, are tired of the foot-dragging that has gone on for long enough. The Treasury Committee supports the report’s publication, and even the Financial Conduct Authority would probably conclude that it would be far more helpful for it to be published. Its publication is long overdue. People need to see the full extent and scale of what RBS and, potentially, other banks have been up to.

**Melanie Onn** (Great Grimsby) (Lab): Will my hon. Friend give way?

**Clive Lewis:** I will give way one final time.

**Melanie Onn:** My hon. Friend said earlier that this situation affected failing businesses. My constituent Andrea Willows is in the public Gallery today. Her business was not failing, but the bank absolutely refused to provide any kind of funding for a shorter-term loan payoff, attributing it all to a larger loan pay-off instead. She had to come up with the full cost of multiple loans to pay off about £635,000, which made things completely impossible for her. That is exactly what these banks have done: they have made it impossible for hard-working people to continue to run their businesses although they were not in trouble in the first place.

**Clive Lewis:** I agree with my hon. Friend. During my time on the all-party parliamentary group on fair business banking and as a Back-Bench MP before that, I heard many similar stories of companies that had been forcibly distressed, or had been described as being distressed by the bank and then carved up like a Sunday roast.

**Mrs Madeleine Moon** (Bridgend) (Lab): Will my hon. Friend give way?

**Clive Lewis:** I will continue.

As many Members will know, the stories keep coming, backed up by evidence. It is now clear that we are seeing not just a series of individual scandals, but a full, systemic failure that needs to be addressed by the House.

Let me now focus on how we can move forward. The APPG on fair business banking has identified a series of achievable and transformative objectives that will support our business community. My focus today, however, will be on dispute resolution, restitution, and the need for an independent financial services tribunal with the teeth that will enable it to tackle complex and, for the individuals involved, life-changing scenarios.

I want to touch briefly on the past, because it is important to separate the crises into two distinct phases. The first crisis, in 2007-08, was a crisis of liquidity. The second, which we are discussing today, is a conduct crisis that not only spans the financial services industry, but extends to the role of the professional advisers who



[Clive Lewis]

are such an integral part of the system. They are Law of Property Act receivers, surveyors, accountants, insolvency practitioners and solicitors. They are all fundamental parts of this matrix, and I will return to them shortly.

The recent section 166 FCA report on RBS GRG concentrates on the years between 2008 and 2013, when banks were under extreme pressure to shore up their balance sheets. However, that behaviour did not spring up spontaneously. Senior banking insiders who worked in RBS between the mid-1990s and the crisis are clear that there was such a *modus operandi* in GRG for years before the liquidity crisis. Indeed, GRG and its predecessor, Specialist Lending Services, had been known as the “mortuary for businesses” since the late 1990s. During those heady days of liquidity, businesses might have had an opportunity to re-bank with competitors, but once the liquidity crisis hit, that was no longer an option. Ever since then our business community has had to deal with the consequences, which have been ramped up to an industrial scale.

Although the title of the debate refers to RBS GRG, it is just a symptom of the underlying issues. In the course of the APPG’s work, it is hard to identify an institution that has not found itself at the centre of a conduct scandal, and I am sure that other Members will give many examples today. The APPG has come across similar instances among the major banking institutions. The HBOS Reading fraud, as a result of which bankers and their associates were jailed for a total of 47 years earlier this year, may seem easy to push aside as “a few bad apples”, but, in reality, it is a consequence of the same systemic failure.

**Jeremy Quin** (Horsham) (Con): Will the hon. Gentleman give way?

**Clive Lewis:** I will make some progress first.

In the HBOS case, as with GRG, quite simply, everyone thought that they would not get caught, and so it escalated. We have to ask ourselves how it is possible that this has gone on for so long, completely unchecked. We should have caught it much sooner, but instead it has been left to a dedicated group of individual victims such as Paul and Nikki Turner—and to a relentless pursuit by journalists such as Andy Verity, Joe Lynam, Siobhan Kennedy, James Hurley, Jonathan Ford, Ruth Sunderland, Tom Warren, Ian Fraser and Heidi Blake, to name just a few—to keep the issue alive. That is the journalism that the British public need: journalism that investigates the acts of the powerful and holds them to account. It is the fourth estate playing its rightful role in a healthy, functioning democracy.

Even now, as we begin to get our heads around the issue, we are still not addressing it properly. Why? Because our response thus far has been piecemeal. We must take a step back, and look at the entire ecosystem in which such behaviour managed not just to survive, but to thrive.

Let me briefly remind the House of the possible scale of the scandal. At its peak, GRG held assets of more than £90 billion on its books—all the businesses that were put into special measures. We cannot know for sure how many of those businesses would have survived in another, more benign environment; that is a “how long is a piece of string” question. Indeed, some businesses

were placed in GRG for no other reason than the fact that they had made a complaint against the bank. We have to ask ourselves how many of them should have been there in the first place.

Much has been made of the fact that the businesses were “distressed”, but that is a subjective and ambiguous term. We do know that 90% of GRG-administered businesses never made it back to mainstream banking. That is a very high proportion. The cost is immeasurable, but we believe it to be in the tens of billions. Let us be clear: that is the potential size of the injustice that has taken place in our country. If it is indeed that big, it may be the largest theft anywhere, ever. If we begin to take into account the opportunity costs to the economy of business failure and businesses that have been unable to grow—if we begin to include the loss of jobs, homes, health, relationships and taxes—we see that the costs are likely to be immeasurable.

Scandals on this scale cannot happen in a vacuum. The role of Law of Property Act receivers, solicitors, insolvency practitioners and surveyors must be considered. Even in circumstances in which every person playing a part has played to the letter of the law, the outcomes have been catastrophic. We have to ask ourselves how that is possible.

As things stand, a business owner understandably assumes that the whole system works effectively, and that when it fails, he or she will have access to justice. That is a logical assumption for those of us who believe that all aspects of our lives should be covered by the rule of law. Anything else is little better than the Wild West, and is no basis for the stable and successful economy that Members in all parts of the House want to see.

The House must tackle the inherent inequality of power in the relationship between businesses and their lenders. From the moment when a business signs a one-sided contract laden with onerous and ambiguous contractual terms, through its life cycle, and into—potentially—insolvency, there is nowhere independent and affordable for that business to go if it is in dispute with its lender. In all cases, businesses must rely on the limited scope of the financial ombudsman, various trade associations and individual institutions to handle complaints. What is the outcome? The public, and businesses, see a group of large, powerful institutions and trade bodies operating from behind castle walls, with no transparency or external accountability, save an expensive and prohibitive court process that is beyond all but the most well-resourced. Justice, for them, is out of reach, and RBS knows that.

When ad hoc redress schemes are set up to deal with scandals such as interest rate hedging products, GRG and HBOS Reading, they are wholly unsatisfactory and largely discredited. They appear to be a cynical exercise in limiting financial institutions’ liabilities rather than a genuine attempt at restitution. The fact that the entire exercise is conducted behind closed doors and the banks are allowed to act as judge, jury and executioner only fuels suspicion. The use of an “independent person”, whom the bank itself appoints, will never instil trust. It is akin to a burglar being allowed to pick the members of the jury for his trial.

To add insult to injury, in the cases of the interest rate hedging product scheme and the RBS GRG scheme, the fact that insolvency law allows the institutions to pay

themselves back for their own misconduct brings the process into the realm of farce. It is a system that does not instil confidence. The best our institutions can say is, “Trust us, we’re doing the right thing; but if you don’t like it, sue us.” We have only to look at the content of the debate today to see that self-regulation alone is simply not enough.

I want to be clear: those of us who support this motion are not calling for extensive regulation. We are, however, calling for accountability, transparency and justice, because without proper transparent accountability there can be no trust. Ultimately, trust is what the financial sector depends upon; if we undermine and pollute it, it will never survive in the long run.

The cold fact is that right now in this country the trust that once existed has been shattered. This distrust has become so severe that it is affecting business confidence and productivity. The Government’s own industrial strategy cannot be delivered on these shaky foundations. Simply, if we are to move on, we need to get a handle on the issues and look at the whole ecosystem for our businesses. That is why today we are calling for an inquiry that cuts across departmental lines and looks at the protections afforded to businesses during their life cycle. That way we can map out a long-term plan to ensure sufficient safeguards to prevent such things from ever happening again. More urgently, we are calling for a tribunal system to be set up to deal with financial disputes, a system analogous to that which already exists for employment tribunals. That does not require any primary legislation. The legislation already exists to enable the rapid establishment of a tribunal; it just needs the political will to carry it through.

Andrew Bailey at the FCA has openly supported the tribunal idea, but we are concerned about the recent focus on extending the remit of the Financial Ombudsman Service as this is not the right solution for what is a very complex problem. Once established, this tribunal system will help to ensure that banking works better, not just in the interests of its customers, but for the banking industry itself. This is important because we all acknowledge that the financial sector is critical to the UK’s future prosperity, and the relationship that SMEs have with their bank is a central part of that. In an effectively regulated economy, the relationships between SMEs and the finance sector should be symbiotic, not parasitic; each supports the sustainable growth and the success of the other. But that is not where we are.

It is time that the Government, the FCA and Parliament step up to the plate to ensure that businesses get fair treatment and access to affordable justice. Our businesses deserve nothing less. Our economy requires nothing less, especially at this critical time with Brexit approaching.

This matter has been left to drift in the regulatory and legislative wilderness for too long. The consequences have been catastrophic not only to individual lives but to confidence in our entire financial system. In the wake of Brexit, the introduction of a tribunal system will help to rebuild the strong relationships that once existed between SMEs and their banks, helping the growth of our economy and the international reputation of our financial sector.

It is, however, important to say that constructive progress has been made. The banking futures project brought together stakeholders across the spectrum to produce a coherent and ambitious plan for rebuilding

trust. If Members have not read it, I would certainly suggest that they do so. The all-party group on fair business banking and finance has formed a working group, which will be formally announced in the near future, to discuss and look at this area. We should have no doubt that this is an important first step for businesses and industry, but it is just one part of the jigsaw, for with a problem this big, only a systematic, open-minded challenge to the status quo will work for businesses, our banks and our economy. This is an opportunity for us to show the business community and, indeed, the country that behind the lively exchanges that take place here and are seen on television, we as parliamentarians can put aside political point scoring and come together and work toward a common goal. I therefore commend this motion to the House.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. There will now be a time limit of five minutes.

12.24 pm

**Nicky Morgan (Loughborough) (Con):** It is a pleasure to follow the hon. Member for Norwich South (Clive Lewis). I congratulate him on securing this important debate, with the support of the right hon. Member for North Norfolk (Norman Lamb), at the Backbench Business Committee hearing. The fact that so many Members are present on a Thursday for this debate shows how many of us have constituents who have been affected by the RBS Global Restructuring Group, and their problems are the reason why we are here. The debate is being watched closely both in this House and outside. I pay tribute to my constituents who have been affected and the many other people who have contacted me. As the hon. Member for Norwich South said, people have lost their homes, their health and their marriages, and in some cases far more than that.

As we heard from the former Business Secretary, the right hon. Member for Twickenham (Sir Vince Cable), it is now more than three years since the publication of the Tomlinson report, which led to the FCA’s decision to appoint an independent investigator to look in detail at what happened at GRG. The previous Treasury Committee, under the chairmanship of Andrew Tyrie, took evidence from Mr Tomlinson and RBS. RBS then had to apologise to the Committee for giving misleading evidence about the role and objectives of GRG. The Committee pressed for disclosure of the findings of the FCA’s independent review. The new Treasury Committee in this Parliament, which I am privileged to chair, has been determined to continue the work of its predecessor, hence the number of documents tagged with this debate listed on the Order Paper.

**Luke Graham (Ochil and South Perthshire) (Con):** Does my right hon. Friend agree that apologies simply are not good enough? For the many of our constituents who have suffered in their business interests and personal lives, we need this inquiry and tribunal so that we achieve justice for our constituents.

**Nicky Morgan:** My hon. Friend makes an important point with his customary passion, and he is absolutely right. I will come on to talk about the tribunal, but he is

[*Nicky Morgan*]

right that there are significant losses, some of which cannot be quantified. However, sometimes just starting by saying sorry can take the sting out of the situation, but we are still waiting for that.

Faced with the FCA's continued refusal to publish the section 166 report, my Committee appointed an independent QC to review the summary and to make sure that it was an accurate reflection of the full report with no material omissions. The FCA's final summary was finally published on 28 November 2017. Although it is written in neutral and technical language, it exposes a litany of poor conduct, mentioning "insensitive, dismissive and...aggressive" relations with customers and

"a culture of deal making...that set little store by the interests of customers".

It also referred to "inadequate and inappropriate" complaints handling and a failure to handle "inherent" conflicts of interest—the list goes on. Just yesterday, in a letter to me, RBS published its 2009 "Just Hit Budget!" memo, which we had already heard about. That lifts the lid on a culture at RBS, however much it tries to distance itself from that.

Given all that, it is unfortunate that the FCA and RBS decided to state that

"the most serious allegations made against the bank have not been upheld"

when the FCA published its interim summary. I think we all agree that what happened is still very serious, and I am sure that many firms agree.

It is also disappointing that RBS—again, pressed by the Treasury Committee—has disclosed that it does not accept many of the findings. In particular, it disagrees that inappropriate treatment of SMEs was "systematic or widespread". RBS appears to be isolated on this, with the FCA supporting the conclusions of the independent review.

The Committee will take evidence from RBS and Promontory, the firm that conducted the review, very shortly. I encourage all Members who have not yet sent us evidence on behalf of constituents to do so. While the Treasury Committee does not consider individual cases, we will keep RBS's feet to the fire over the functioning of its redress scheme.

I agree with the spirit of the comments of the hon. Member for Norwich South, too, because he is right to look at not just what went wrong, but the future, as the second half of the motion does. For small, financially distressed businesses, as he said, what we have is not a partnership of equals, but an unbalanced and potentially exploitative relationship in which banks can use their legal and financial firepower to ensure that their interests prevail over those of their customers.

As we have heard, the FCA told the Committee in October last year that it is considering broadening the scope of the Financial Ombudsman Service, but there is concern that the Government might not be prepared to consider a legislative solution. I would welcome the Minister addressing that point. The House will have to seriously consider whether the FCA solution is merely a sticking plaster, and if so whether the responsibility falls to us, as parliamentarians, to consider what legislation might be required.

**Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): I have read the exchange about this matter between the right hon. Lady and the FCA. Does she agree that it is a real concern that that correspondence conveys the impression that the FCA is rather intimidated by the potential actions of RBS? Should it not be the other way around?

**Nicky Morgan:** The hon. Gentleman makes a valid point. Yes, of course it should be the other way round—the FCA is the regulator. While this is about an individual case, it is of course also about the wider message that is sent about the system of regulation and lending to SMEs.

As we have heard, one of the solutions could be a new dispute resolution regime for SME financing. I recently discussed such a proposal with my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) and the all-party group on fair business banking and finance, which has done important work in this area, on which I congratulate it. Another possibility would be to bring corporate lending of a certain size within the regulatory perimeter, thereby allowing the FCA to consider taking action against firms directly for any failings. Those are not mutually exclusive suggestions. I would welcome the Minister's commitment to publish the Treasury's analysis of the costs and benefits of moving the regulatory perimeter on small business lending. I would also welcome confirmation that the Treasury does not rule out a legislative approach to establish a new tribunal or to introduce a perimeter change, if either were deemed appropriate.

The GRG was a warning that all was not well, but at the moment only the advent of the FCA's senior managers regime is preventing such cases from arising again. I hear constituents and others saying that they will never trust a bank again and never ask a bank for money again, and this should be a chilling moment for all banks involved in lending to and working with SMEs. Bank lending is an important part of this country's financial infrastructure, which was why the then Government stepped in during the financial crisis in 2008. I assure the House that the Treasury Committee will continue to consider the options available to provide further protections to SMEs in their dealings with the banks.

12.31 pm

**Jo Stevens** (Cardiff Central) (Lab): I congratulate my hon. Friend the Member for Norwich South (Clive Lewis) on securing the debate. It is also a real pleasure to follow the right hon. Member for Loughborough (Nicky Morgan).

For me, the most alarming aspect of the whole issue of the banking sector's treatment of SMEs is the conspiracy of denial that has existed between banks and their professional advisers. That has been reinforced by the very institutions that are supposed to regulate the financial sector. My constituent Mr Kash Shabir is a victim of what is at the very least grossly unethical practice—it is much more likely to be criminal fraud—at the hands of Lloyds bank, the same bank that was behind the HBOS Reading fraud. His case is a lead case, having formed the backbone of an inquiry by the then Business, Innovation and Skills Committee in March 2015, under the chairmanship of my hon. Friend the Member for



West Bromwich West (Mr Bailey), and of two Westminster Hall debates that I led, on 16 September 2015 and 18 April last year.

When lending to Mr Shabir was no longer attractive to Lloyds after the financial crash, it reneged on its lending commitment, relying on an alleged breach of the loan to value covenant. That breach was then justified by a down-valuation of his property portfolio, which was worth in excess of £10 million. The valuation was provided by Alder King LLP, a firm of chartered surveyors whose employees were embedded in Lloyds bank and then rewarded with lucrative LPA—Law of Property Act 1925—work. The substantial evidence that I have considered over the past three years leads me to conclude that criminal acts have taken place, followed by a cover-up by the parties concerned.

The senior management of Lloyds, Alder King and the Royal Institution of Chartered Surveyors have all refused to meet me and Mr Shabir to discuss his case. None of them has the guts to sit in a room with me and my constituent to listen to his legitimate complaint. The approach taken—primarily by Lloyds, but also by Alder King—has been to use the gross power imbalance that exists between SMEs and the big banks to bully and belittle SME victims to the point at which at least one victim has taken his own life. The big banks hold all the power. They have an army of expensive lawyers. They obfuscate and delay, knowing that if they keep batting away their victims' complaints and concerns, those individuals will eventually capitulate because they have no other choice.

**Jeremy Quin:** The hon. Lady is making a powerful speech. She and the hon. Member for Norwich South (Clive Lewis) have both referred to the HBOS Reading case, in which guilty verdicts were delivered on 30 January last year. Does she share my concern, and that of my constituents who have been affected by this, that there has still been no settlement with Lloyds bank a year after those verdicts were delivered? This reinforces what the hon. Lady is saying.

**Jo Stevens:** I absolutely agree with the hon. Gentleman.

Statutory limitation periods are run down through deliberate delays by the banks. They know that they hold all the financial cards. How can any of their victims afford to litigate to seek proper redress when they have already lost their businesses and homes as a consequence of the banks' actions?

**Melanie Onn:** That is absolutely correct. Earlier I mentioned the case of a constituent who has spent at least £45,000 trying to tackle an injustice of which she is so undeservingly the victim. That has used up all her husband's firefighter pension.

**Jo Stevens:** My hon. Friend provides a powerful example of that gross imbalance of power. Legal expenses insurance is also extortionate and therefore out of the question. My constituent was quoted a premium of more than £1 million for insurance cover for his litigation against Lloyds. These are deliberate tactics by the banks to prevent their victims from getting redress, and they absolutely stink.

All the time this is happening, Lloyds senior executives present a public face of claiming to know nothing of what has gone on. I have copies of letters written by

Members of this House in 2014 to the Lloyds chief executive and the regulators, formally alerting them—if they did not already know—to the irregularities in that bank. Lloyds itself commissioned an internal report in September 2013—the HBOS and Lord Turnbull report—which highlights many acts of criminality, as well as confirming that the bank knew about the HBOS fraud as far back as 2008. The chairman and the chief executive of Lloyds have both maintained that they had no knowledge, but I do not believe those assertions to be accurate. This prompts the question that if the bank had knowledge of the fraud in 2008 and the HBOS convictions took place in 2017, why did the bank pursue personal guarantees on those fraud victims for nine years until the case went to trial? There can be only two answers to that question: either the bank is entirely incompetent; or those running it have not been honest. I am calling today on the Lloyds chair and the board to publish that report in its entirety.

Following the conviction of the six HBOS individuals who are now serving a combined prison sentence of 48 years, why has there been such a failure by Lloyds to compensate its victims? Similar practices have been shown to have been prevalent in the Bristol offices of Lloyds, but as yet no police force has carried out a proper forensic investigation. Anthony Stansfeld, the police and crime commissioner behind the successful HBOS convictions, is determined to see a full and proper investigation into Lloyds Bristol and has passed evidence to Avon and Somerset police. I am calling today on its chief constable to expedite an investigation.

As evidence of abuse by the banks and of conspiracy with their advisers grows by the day, the banks cannot say at the highest level that they were unaware of what was happening and somehow insulated from the abuses that were taking place. The chief executive of Lloyds, Mr Horta-Osório, has made many public statements—that to the *Evening Standard* on 17 May last year is just one example—saying that he was unaware of the victims' complaints before the Reading fraud trial. However, I understand that the Turnbull report confirms both his and the Lloyds board's knowledge of HBOS criminality. I also have a letter dated 22 May 2014 from the right hon. Member for Twickenham (Sir Vince Cable), written when he was Secretary of State for Business, Innovation and Skills, confirming that he met Mr Horta-Osório to discuss my constituent's case, and that Mr Horta-Osório had assured him that

“he had looked into the case personally”.

It appears that Mr Horta-Osório is not as remote from these victims' cases as he claims.

It is imperative that we have a full inquiry into the actions of Lloyds and the other banks we have heard about today, and that should include a consideration of individuals' culpability. It should also compel full recompense to those who have been affected by the abuse. Such full recompense should be the subject of genuine independent third-party administration, not the charade that has developed around Lloyds' handling of the victims of the HBOS Reading abuse. That is why I support the establishment of an independent tribunal system and the motion before the House.

12.39 pm

**Mr William Wragg (Hazel Grove) (Con):** I congratulate the hon. Member for Norwich South (Clive Lewis) on securing this debate. I was pleased to be a member of

[Mr William Wragg]

the Backbench Business Committee when his application came before us, because such debates show the House at its best.

I have a confession to make: I am a capitalist. But I am a capitalist who believes in a system that depends upon sound financial management. The dishonest practices and systemic mismanagement by RBS in this case fundamentally undermine capitalism. We know that the behaviour of the bank was wrong, both legally and morally, as reported and evidenced in the Tomlinson report and the FCA's skilled person reports. The injury to individual businesses and the business banking system as a whole has been compounded by the system of redress, which is judged to be inadequate by many.

Like many hon. Members on both sides of the House today, I have constituents who have been affected by this case. Just one such example of malpractice was the forced liquidation in 1998 of Pickup and Bradbury Ltd, a company formerly owned by a constituent of mine, Mr Eric Topping. Pickup and Bradbury was a building and joinery company based in Stockport. It was a business customer of RBS and, like many other businesses, used an overdraft to manage its cash flow. In 1998, the overdraft was £345,000—not an unreasonable amount for a business of that scale—and the company had been happily trading and growing under that arrangement for several years. Then, in February 1998, RBS wrote to Mr Topping saying that it wanted to reduce the overdraft facility to £200,000 and, moreover, that the company owed the bank over £700,000—a figure that is still in dispute today.

Unable to operate under more restrictive conditions, the company was moved into RBS's Global Restructuring Group, according to RBS, to help it to repay the money it owed. While under the administration of the GRG, the bank's advisers consistently undervalued the company's assets, while simultaneously overvaluing its liabilities, to support its claim the company was unviable and, in July 1998, it forced Pickup and Bradbury into receivership. The GRG engineered the fall of the company by demanding aggressive repayment plans and allowing insufficient time for company directors to appoint independent valuers to prove the worth of the company's assets and its solvency. Mr Topping believes the difference between RBS figures and his own was around £2 million.

Knowing that time is short and that many right hon. and hon. Members want to contribute, I will move on from that case and put some questions to the Treasury Bench. A scandal such as this, just like LIBOR before it, is yet another reason why people and businesses lose faith in the banking sector. Faith in the banks is essential for faith in our whole capitalist system, which I have hitherto been proud to defend. This scheme was organised fraudulent asset stripping on a massive scale, leading to the forced liquidation of many businesses—companies that people had poured a lifetime of effort into and which were their livelihoods. In the case of my constituent and many others, those businesses were their nest eggs for retirement. RBS likely made billions from the activity, but how many lives and livelihoods did it crush in the process?

We on the Conservative Benches in particular rightly tell the country we stand up for hard-working people. Mr Topping, and hundreds of business owners like him,

are just such hard-working people, yet they have had their assets stripped by RBS and now have very little to show for it. It is time that we stood up for them. I have some questions for my hon. Friend the able and newly appointed Economic Secretary to the Treasury. While Her Majesty's Government have a controlling stake in RBS, what is he doing to ensure that the bank does the right thing by its former customers, both by the law and by the sense of common decency on which all civilised business ultimately depends?

**Tony Lloyd (Rochdale) (Lab):** The hon. Gentleman is making an excellent speech, but may I ask him to widen his ambition? My constituent Derrick Cullen was the victim of Lloyds bank, so it is clear that the conspiracy was not confined to one bank, but was industry-wide—the lies spread across the industry. On that basis, the Government should do more than use their powers on a nationalised bank; the action must be systemic across the whole banking system.

**Mr Wragg:** The hon. Gentleman is right to highlight the broader practice in the banking sector. I have confined my remarks to RBS given that it was a constituency case, but he is absolutely right and perhaps draws on the work of the all-party parliamentary group on fair business banking and finance. I pay tribute again to the hon. Member for Norwich South and to my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for their assiduous work on that APPG.

The hon. Member for Rochdale (Tony Lloyd) is generous in allowing me an extra minute through his intervention, but I have only one more sentence to say to the Minister. I will put it as simply as this: what does my constituent have to do to get back the money that was stolen from him?

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I remind the House that there are no extra minutes. There are only 24 hours in a day, and we cannot add more minutes by taking interventions. The minutes have to come from somewhere else. Gosh, everyone could do with a spell in the Treasury.

12.45 pm

**Mr Alan Campbell (Tynemouth) (Lab):** Perhaps I should begin with the confession that I am not a capitalist, but I do share the hope of the hon. Member for Hazel Grove (Mr Wragg) for fairness. I congratulate my hon. Friend the Member for Norwich South (Clive Lewis) on securing this debate. The motion primarily relates to RBS, but it acknowledges that the problem goes far wider than just one bank. At the heart of the motion is the proposition that several banks deliberately managed the closure of businesses to protect their own interests and in doing so prioritised the realisation of assets over any other outcome. The Tomlinson report, about which we have already heard, suggested that the banks had a deliberate strategy to artificially distress viable businesses, to engineer loan-to-value ratios to cause a breach and to revalue assets downwards to trigger a default. The banks had all the power and businesses had no meaningful recourse, and professional advisers were either ineffective or took the side of or even aided the banks.

In the brief time available to me, I want to highlight two constituency cases. The first is Mr Graham Stewart, a builder and property developer, who was courted for his business by Lloyds bank in 2003. His accounts were successfully managed locally and regionally at first, but then the fateful decision was made to transfer his accounts to the Bristol business support unit, and that is when his troubles began. The review periods on his loans were shortened, repayments were doubled and charges were added at every single stage. He was told to sell some properties and to use Alder King, Lloyds chosen valuer, which systematically undervalued his properties. When he complained, his loans were called in. I understand that some of the banks may have accessed the enterprise finance guarantee scheme to cover their losses, and advisers got their fees, but my constituent was left with huge debts. He had never missed a payment and had never been in arrears.

My second constituent is Ben Warren, who was an Allied Dunbar client. Allied Dunbar was sold to Zurich Financial Services Ltd in 1998 after several mis-selling scandals, and parts of it were sold on a decade later. The deposit book was attractive, the loan book less so. Despite assurances to clients that they would not be materially affected by any transfer, within 14 days of the transfer, 95% of loans were declared to be impaired. That affected 300 people, including my constituent. A third were pushed into bankruptcy. The companies protected themselves at every stage by betting on the financial market. My constituent described it as like selling a car and then betting on whether it would break down. Mr Warren has a very simple question for the Minister: why does the UK allow companies based in offshore tax havens to manipulate small and medium-sized enterprises in that way? It certainly seems like systematic manipulation. To many, including myself, it looks like criminality.

The HBOS Reading fraud cost Thames Valley police £7 million to investigate, so where are the resources for such a Herculean task as investigating this situation? Allied Dunbar victims went to Northumbria police's economic crime unit, which said that it lacked the resources to investigate and directed them to the Serious Fraud Office, which then sent them back to Northumbria police's economic crime unit. We need accountability; we need transparency; and we need justice for the victims, including compensation. As we have heard, we need to protect SMEs in the future with a more effective tribunal system. Finally, and importantly, we need the Treasury Committee to continue to take a keen interest in the matter.

12.49 pm

**Mr Alister Jack** (Dumfries and Galloway) (Con): As a member of the Treasury Committee, I can assure the right hon. Member for Tynemouth (Mr Campbell) that the Committee is taking a keen interest.

In 2016 an RBS document leaked to the BBC proved that

“staff were asked to search for companies that could be restructured, or have their interest rates bumped up.”

Yet in November 2017 the FCA announced its conclusion that RBS had not set out to “artificially engineer” SMEs to fall into the GRG and that

“there was not a widespread practice of identifying customers for transfer for inappropriate reasons, such as their potential value to GRG”.

All I can say is, what absolute balderdash, and I will explain why.

In February 2009 I received a telephone call from the RBS bank manager who was looking after the accounts of our self-storage business in Edinburgh. He simply said that we were going into default, that our interest rate would immediately be put up to 6% above base, that RBS was looking into other issues and that we would be going into GRG. We had not breached any covenants, so I asked him for an urgent meeting. RBS had competed with Lloyds for our business, and we had a term loan on a building in Edinburgh, the Jenners depository, of which I was then, and remain today, the major shareholder. That term loan was 1% over base, and of course banks did not want term loans of 1% over base in February 2009.

We got the meeting. The bank manager came in and said he had remodelled our management accounts and that we were breaching covenants. I tried to find out how we were breaching covenants, and he could not tell me. When my bookkeeper was looking over his shoulder as she gave him a glass of water, she spotted that he was using the management accounts of February 2006, some three years previously, to claim the breach, so I showed him the door and did not hear from him again for three weeks, when he came back and told me that we were in breach of our covenants because our building had devalued by 40% and that we were immediately being moved to interest of 6% over base.

I called the bank manager in for another meeting and said that we must get the building revalued. Other Members have mentioned Alder King and others. Self-storage is a very specialist business and RBS wanted just to use its own valuer. I smelled a rat and insisted that a self-storage valuer was used. RBS said that we had to bear the £15,000 costs, to which I responded, “Here’s the deal: if the valuation remains the same, which is fine for our covenants, or goes up, you pay it.” RBS was confident the valuation would go down. When the valuation came back, it had doubled and RBS had to pay the costs. Needless to say, RBS was livid.

The manager disappeared from our radar and RBS proceeded to make things as difficult as possible for us because, as I said, no bank wants a loan of 1% over base. We then tired of RBS and moved our term loan to Handelsbanken, obviously at increased expense but we had lost faith in RBS.

I later learned from a bank manager who had moved on to a different role that after the October 2008 bail-out—when Fred Goodwin had left and Stephen Hester had arrived—we were an unsuccessful part of what was called “project dash for cash.” The plan was to seize assets through perceived default, and between 2007 and 2012 more than 15,000 companies were moved into GRG to await their fate. From my own experience, I have no doubt that many of those customers were not treated with proper care and attention.

I also have no doubt that the FCA’s conclusions, to which I referred earlier, are wholly wrong and that there was a widespread practice of identifying customers for transfer to GRG for inappropriate reasons.



**Stephen Kerr** (Stirling) (Con): What are my hon. Friend's conclusions about the culture that prevailed in RBS at that time? Does that culture continue to this day?

**Mr Jack:** I do not know whether it continues to this day because I no longer deal with RBS, and I would not deal with it again on principle. The culture at the time was disgraceful. My business was making a profit when RBS came in, and it has made a profit every single month since. That is a good example of how RBS tried it on.

I was lucky to be in a robust enough position to send RBS packing. None the less, it was a very stressful and unpleasant experience. For a variety of reasons, countless thousands were not as fortunate, and many lives were needlessly ruined by the disgraceful and unscrupulous behaviour of RBS bank managers across the country. Those customers deserve proper redress. I support the motion.

12.55 pm

**Norman Lamb** (North Norfolk) (LD): The testimony we just heard from the hon. Member for Dumfries and Galloway (Mr Jack) was incredibly powerful and valuable.

I speak as a co-sponsor of the debate, and I agree with every word of the opening statement by the hon. Member for Norwich South (Clive Lewis). The revelations in the report of the independent review are absolutely shocking, and that is without the revelation from my right hon. Friend the Member for Twickenham (Sir Vince Cable) that the full report says

“Management knew or should have known that this was an intended and co-ordinated strategy”.

Why was that left out of the report's summary? It potentially makes the FCA complicit in the cover-up, which is incredibly serious and needs to be considered.

Even without that, the report of the independent review highlights systematic failures, which in itself is an incredibly important conclusion. There was a failure to fully recognise and manage the conflict of interest between GRG's twin objectives of turning around businesses and making a financial contribution to RBS. The review concludes that the commercial objective had been the strategic focus of management. That prompts the question: was GRG just incredibly stupid, or did it know exactly what it was doing? If it did know what it was doing, it amounts to theft of assets from people who, in many cases, were running entirely viable businesses—the hon. Member for Hazel Grove (Mr Wragg) described it as asset stripping. These were people who had grafted throughout their adult lives to build up their businesses, which were destroyed by this outrageous behaviour. It is an extraordinary scandal.

The catalogue of unacceptable behaviour outlined in the review and exposed by brave whistleblowers demonstrates an absolutely rotten culture: victory emails celebrated taking assets off businesses; there were incentives for staff to take more money off stressed businesses to boost their bonuses; and what of the role of lawyers in managing the conflict of interest, or of the accountants, or of the auditors? Who was complicit in this scandal? That is why the hon. Member for Norwich South said we need an inquiry to find out who is culpable.

**Kevin Hollinrake** (Thirsk and Malton) (Con): The right hon. Gentleman is making a powerful speech. He mentions the relationship between the FCA and RBS. Is he aware of the leaked minute from an FCA board meeting that says that one of the reasons why the FCA will not release the full report is that it is concerned about being sued by RBS? Does that not raise the question of who is regulating whom in this relationship?

**Norman Lamb:** The hon. Gentleman is entirely right. We rely on the regulator to be powerful and tough in such situations.

The human cost is incalculable. People have been driven to suicide and marriages and health have been destroyed, but who has been held to account for this disgusting behaviour? People and businesses ruined must have justice. I say to the Minister that an independent tribunal is essential. It would act as a deterrent to bad behaviour; banks would know their actions have consequences if they knew it would go to an independent tribunal.

My constituent Mark Wright is an RBS whistleblower. His career and his health have been destroyed. He and others are the heroes of this sorry story, risking everything to do the right thing, yet he has also been horribly let down by the regulator. The FCA, including its chief executive, Andrew Bailey, dismissed his concerns, but this week he won a vital victory when the complaints commissioner ruled that the FCA was wrong to reveal his name to RBS. What cavalier disregard of a whistleblower's rights! The FCA fought the complaint all the way, only apologising right at the end. The case was brilliantly pursued by Steve Middleton, who deserves enormous credit. He is now setting up, with others, Bank Confidential—I declare an interest in that I am a patron—to protect whistleblowers and expose wrongdoing.

The truth is that whistleblowers have no real protection in this country. Contrast that with the situation in the United States, where the Dodd-Frank legislation introduced the Office of the Whistleblower, which is there to protect whistleblowers. Whistleblowers are rewarded financially for doing the right thing—they are awarded between 10% and 30% of the sanction collected against the firm, which can run into millions of dollars. What a contrast with the position in this country! We need our own office of the whistleblower, and whistleblowers should be guaranteed anonymity; they should be rewarded for their bravery. Maintaining the integrity of the banking system is of fundamental importance to us all, and whistleblowers are necessary for that purpose.

My fear is that in the aftermath of the crash in 2008, all the focus of the banks, the regulator and Government was on rebuilding balance sheets, and a collective blind eye was turned to how that was achieved and how many victims were left along the way—business owners and whistleblowers. The Government and the FCA now need to act to clear up this scandal and to get new arrangements in place to rebuild trust in British banking and give justice to those ruined by this outrageous behaviour.

1.1 pm

**Neil O'Brien** (Harborough) (Con): I welcome this important debate and congratulate the hon. Member for Norwich South (Clive Lewis) on securing it.

I am conscious of following a very powerful speech. I think Members on both sides of the House will be horrified and sickened by the contents of the RBS memo, and I congratulate members of the Treasury Committee on putting it in the public domain. Gloating and cruel, it is a symbol of a profoundly sick culture within that bank. To give RBS its due, let me say that I welcome its £400 million compensation fund and the complaints procedure presided over by a former judge, but there is still a long way to go. Sadly, as a number of hon. Members have pointed out, the issues raised by RBS are not confined to that bank. The solutions we need are industry-wide.

One of my constituents had an experience with HSBC of exactly the same kind as those experienced in RBS cases. His lighting business had a cash-flow problem, which was no fault of his—indeed, it was partly the fault of the bank for authorising a payment which he did not believe could be authorised. His secured loan was turned into an overdraft and then he was offered a nine-year sustainable loan to work out of the debt, on the condition that he first paid a one-year loan without being chased for it. He did that—he did all the right things—but the nine-year loan was never forthcoming; instead he was offered a series of one-year loans at increasingly high interest rates, with increasingly high charges. In effect, he was made to work on an ever-faster-moving treadmill just to stand still. This was a perfectly viable business and a very hard-working man who has done a good job. In 2014, the financial ombudsman finally ruled against HSBC, saying that it should restructure the loan on the original terms that he had been offered and repay all charges made.

There are two disturbing aspects of this case. The first was the bank's fundamental approach to this small business: this was not relationship banking and it was not an attempt to build a company over the long term; it was an attempt to sweat it for everything it was worth and to push it towards bankruptcy. The second and even more disturbing aspect was the bank's response to the ombudsman's ruling: instead of complying with the clear spirit of that ruling, the bank seized on an imprecision in the ruling to try to retrospectively force a much more onerous loan on to my constituent. After a second successful appeal to the ombudsman, the bank will still only offer my constituent a loan on far more onerous terms. As a result, nine years on, he is still in dispute with the bank. His life is on hold and his home is under threat, but despite everything he has managed to keep the business going—good on him, but it is not thanks to HSBC.

For victims of RBS GRG and other banks, we need a profound change in the culture of small business lending in Britain. I agree with many of the suggestions that other hon. Members have made. We need an ombudsman or regulator that banks are more frightened of, with stiffer penalties and clearer, quicker and more specific remedies. Since 2010, we have made real progress in reforming the banking sector: we have replaced the tripartite system that failed so spectacularly; we have seen the Vickers report and the ring-fencing of retail banks from investment banking; we have ended “too big to fail”; we will see bankers stand trial next year for their role in the financial crisis; we have introduced higher capital requirements and safer banking measures to increase competition and encourage challenger banks;

we have the new open banking, the tougher bank bonus clawback regime and the bank levy. Despite all the good work that has been done, there is still a lot to do. The next reform made by the Treasury must be to put in place a stronger regulator and ombudsman, and to secure justice for our small businesses.

1.5 pm

**Mr Adrian Bailey** (West Bromwich West) (Lab/Co-op): I congratulate everybody involved in bringing this important issue before the House for debate today. I was first confronted with some of these issues in my former incarnation as Chair of the Select Committee on Business, Innovation and Skills, when a number of the cases outlined by Members today were brought to my attention. As I studied them, my first instinct was that these were just isolated cases of maladministration and that banks could not possibly be behaving in such a way, which one would assume contravened not only any sort of ethics or sense of fairness, but the law itself.

Further investigation and consultation with other Members demonstrated that what I thought were one or two isolated incidents of maladministration were in fact part of a national problem resulting from a culture that obviously prevailed within the financial services industry, and that in many ways was propped up by other professional and corporate organisations—valuers, receivers and so on—who were making money out of it. Therefore, I particularly welcome the emphasis a number of Members have put on pointing out that, although this motion focuses on RBS, this is a general and systemic problem, as was determined by the fact that about 60% of lending to small and medium-sized enterprises was done by two big banking conglomerates, Lloyds and RBS. They, by their actions, set the culture and tone of how banking has dealt with small businesses and the way small businesses perceive the banks.

I applaud the motion, because it makes it clear that although RBS may have implemented some remedial actions, this is a general problem that needs a general solution. I read the minutes of the Treasury Committee interviews with Andrew Bailey of the FCA, and one of the most astonishing things I read was the regular comment made by him that such actions were “outside the regulatory perimeter”. What an astonishing thing for somebody in charge of the organisation designed to implement regulation to acknowledge: that for a long period banking practices had actually gone on outside any sort of regulatory perimeter. One would reasonably expect such a body to be pressing the Government to pass the necessary legislation to alter that position. In part, these huge personal, economic and business problems have arisen because of the failure of that body to make that case.

In the past, like many other people, I assumed that banks giving loans to business did so because there was a mutuality of interest: the bank would make money, the business would thrive and the country would thrive via the economic benefit that that would bring about. Instead, a process has been built into our economic system by which the organisations that were supposedly providing the lifeblood of our economy—driving productivity, investment and so on—were in fact destroying it. Indeed, their future depended on their destroying, through corporate theft, financially sound businesses that were providing employment and contributing to the economy.

[Mr Adrian Bailey]

The Orwellian name of the Global Restructuring Group hides the fact that it was effectively death row for businesses, and its structure was mirrored by other banks. All that underlines the proposals in the motion that imply that the Government, through the FCA, must impose a far more rigorous regulatory environment to drive the change in culture that is so necessary.

Several hon. Members *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. After the next speaker, the time limit will be reduced to four minutes.

1.10 pm

**Bob Stewart (Beckenham) (Con):** My constituent Dean D'Eye and his family and friends have been terrorised by insolvency professionals working for GRG and Dunbar bank. Mr D'Eye's life's work has been taken away from him. He had a development company in south London that had a value of £140 million, as well as a thriving youth-hostel business that employed 100 people. Dean D'Eye's father and step-mother, Derek and Ann D'Eye—82 and 71 respectively, and also constituents of mine—have been evicted from their home, and numerous other family members and friends have been attacked using predatory litigation tactics. The whole D'Eye family faces complete wipe out.

It all started 16 years ago when Mr D'Eye became a customer of the Romford lending division of NatWest, which is now part of RBS. NatWest funded his investment business and he was mentored on business development by Dunbar. During the third quarter of 2008, GRG started to hound him, despite his never having missed an interest payment and at a time when interest rates had plummeted. GRG thus managed to get him into insolvency by 1 June 2009.

The loss of a large proportion of the group's cash flow started to cause issues with Dunbar bank, which was by early 2010 starting to experience significant problems itself. The Zurich group moved the bank to its centrally managed business division, which was headed by Mr Colm Holmes. Mr D'Eye, who is present in the Public Gallery, has described the business division as an extortion racket. As is evident from this debate, the GRG's tactics are becoming well known, but I wish to highlight Dunbar's far more aggressive actions and the systematic destruction of its clients' former loyal staff, long-standing suppliers and valuers. I am pleased that the Treasury Committee is looking into the matter.

Mr D'Eye describes the current situation with respect to small business lending in the UK as utterly unsustainable, and I think we all agree. Financial institutions have been allowed to run riot with demands for personal guarantees in all aspects of business, and the limited-liability company may well soon head into extinction. If we combine that with the fact that banks do not seem to be trusted and have not been brought to justice for their actions, we have the perfect storm for SMEs. UK productivity cannot improve without a thriving SME sector. We have some of the best entrepreneurs in the world, but we must sort out the banking infrastructure on which they rely—as well as getting justice for those poor devils who have suffered so much as a result of the banks' actions.

1.14 pm

**Mrs Madeleine Moon (Bridgend) (Lab):** If we do not agree today that there is going to be justice for all those people who have been damaged by the banking crisis—by the illegal actions that have taken place across the banking sector and among the organisations that worked alongside the banks, including the valuers and surveyors—all the distrust of this House will be valid. It is in our power to give those people justice, and that justice must start today.

My constituent Mr Smith ran a small engineering company and had banked with NatWest for 12 years. He took out a £180,000 mortgage on a new building. He reduced the mortgage because his company was doing well; in fact, it was worth £220,000 fairly quickly. He decided to invest in new equipment to help him to expand. Unfortunately, when the bank agreed to fund the investment in new equipment, it put a second charge of £80,000 on his home, assuring him that it was not a problem because the bank would always negotiate with him if his company had any difficulty.

There were rumours that the bank needed money, so Mr Smith asked the bank manager whether things were okay, but he was assured that it was as safe as houses. As we know, though, the bank collapsed, and within weeks the flow of work into Mr Smith's company also collapsed. A contract worth £30,000 was closed down literally overnight.

Mr Smith then had a problem with the Royal Mint, which was supposed to make a payment into his bank account on the Wednesday but rang at the last moment to say it would be made on the Thursday. Unfortunately, Mr Smith had arranged to pay suppliers on that same Wednesday. Instead of doing what it had always done previously, which was to act reasonably and say, "Don't worry about it," the bank charged him £600, adding to his financial problems.

The situation quickly became a huge problem for Mr Smith. He started to get phone calls from a few departments at the bank. [*Interruption.*] I am sorry about my phone ringing, Madam Deputy Speaker! In fairness, it did seem like it was RBS calling. The bank was calling Mr Smith to ask him to come in to discuss his loans. That was when he entered the GRG bracket. In the end, he was forced to close his business.

Despite Mr Smith's attending court on numerous occasions and being a litigant in person, RBS often did not send people, or appeared badly prepared. It was only when I finally managed to get through to the bank and criticised its actions that it agreed to a meeting with Mr Smith. The bank actually said to Mr Smith's wife, "It is not a matter of if we will take your home, but when."

Mr Smith and his family have gone through hell. Like many of the companies that have been discussed in the debate, they would have been a cornerstone of Britain's economic recovery. Instead, trust, confidence and belief in the British banking system has been systemically destroyed.

1.18 pm

**John Lamont (Berwickshire, Roxburgh and Selkirk) (Con):** I am grateful for the opportunity to speak on an issue that has deeply affected so many small and medium-sized businesses throughout the United Kingdom.



The Royal Bank of Scotland should be one of the jewels in the UK's crown: a principled yet profitable business carrying the great name of Scotland and doing business in every corner of the globe. Perhaps it was something that we could be proud of before 2007, but actions of the bank that have been uncovered since then have lost it almost all its credibility.

The Global Restructuring Group is responsible for much of its now bruised brand image. It was responsible for stripping businesses which were deemed to be perfectly viable. Those are not my words, but the words of the Tomlinson report, which stated:

“GRG artificially distresses otherwise viable businesses. Through such actions, GRG placed businesses on a journey towards administration, receivership and liquidation.”

One of GRG's tactics was to appoint its own valuers to appraise assets put forward by companies against loans, deliberately undervaluing the assets and then putting them into GRG even if those companies were not behind with their payments. My hon. Friend the Member for Dumfries and Galloway (Mr Jack) described very well the challenges that businesses and individuals have faced in that regard. Anyone can see that that should be absent from business practices in the United Kingdom.

Of course, RBS denies that it made any money from such practices, but we must remember that the senior management of the bank created the circumstances in which it became so desperate to liquidise many of its investments. It must also be pointed out that the Financial Conduct Authority found that GRG's actions failed to comply with the bank's own standards. It is only right for the FCA to hold the bank to account and to fight on behalf of customers—business or otherwise.

Unfortunately, such practices are not confined to customers of Royal Bank of Scotland. As many Members may be aware, UK Acorn Finance Ltd is held responsible by many in the agricultural industry for forcing farmers into bankruptcy or eviction. One example is that of Kevin and Angela Holt who farmed in the constituency of my hon. Friend the Member for Moray (Douglas Ross). They are, in their words, victims of a fraudulent loan scheme that led to the loss of their farm. I am sure that there are countless small businesses that see their circumstances reflected in today's debate.

It is also important to remember the problems that financial difficulties can lead to. It not only leaves a hole in the bank balance, but leads to mental health problems and can cause irreparable damage to families, especially in small businesses. The businesses affected are not faceless corporations, but, in many instances, small family companies supporting local employment and the local economy. I am very grateful to the Government for what they have done in continuing to fight hard to strengthen the financial sector, but more needs to be done.

As I have said, RBS is no stranger to bad news. Bankers' bonuses, branch closures and bail-outs highlight but a few cases. One needs only to ask some of my constituents for their thoughts on the recent announcements to understand the consequences of its actions on local people and the injustice that they feel. However, the acts of the Global Restructuring Group are perhaps its most intemperate over the past decade, since the beginning of the great recession. It is our duty in this House to stand

up for those who have been crushed by the immoral acts of this corporation, which, as we all know, is now owned by the taxpayers of this country.

1.22 pm

**Jeff Smith** (Manchester, Withington) (Lab): In the brief time available, I will add my voice to that of those calling for a proper inquiry into the scandal and a proper tribunal system for dealing with SMEs that are in difficulty.

I wish briefly to cite the example of my constituent Anthony Molyneux, whose small business has been mishandled by RBS over the past several years. Equally—as we have heard, this is a much wider problem—I could cite the case of my constituent David Farnden, who has been treated appallingly by the Yorkshire Bank over a long period of time.

Mr Molyneux's experience is one of the thousands of cases in which RBS has put its profits before small businesses that needed, expected and deserved its support to turn their businesses around. He estimates that at least £1.5 million of assets were sold for around £260,000 to make a quick buck for RBS. The problem started when he was alerted by one of his tenants that an auction sign had been placed outside one of his premises. The auctioneers confirmed that RBS had placed his premises up for auction to pay back some of the debt that it claimed he owed.

RBS did not follow the correct processes when it used the TR2 process in the sale of Mr Molyneux's land. It did not communicate properly with him and did not give him adequate opportunity to clear his arrears. After a long dispute about the amount he owed, he got an agreement in writing, and then RBS came back demanding more money.

I do not have time to go into the long list of very serious concerns about the process and ethics of the sale, suffice it to say that Mr Molyneux took his case to the financial ombudsman, which upheld his complaint. It recognised wrongdoing on the part of RBS, but said that, in the absence of the loan agreement that RBS said could not be found, it would be for the courts to decide the legality of the bank's actions. That left the onus on Mr Molyneux to undertake a very expensive and risky court process. Six years on, the issue has not been settled, and he has not had an adequate settlement for his dispute. Sadly, that case is typical of the kind of failings revealed in the FCA's report on RBS.

It is clear from this debate that small businesses across the country have suffered as a result of a system that lacks adequate checks and balances. The incidents are not isolated, as we have heard. Sixteen thousand companies were handled by the GRG. Of those, only one in 10 ever returned to health and, at the same time, the GRG became one of the bank's most profitable sectors. We have heard that there has been a systemic failure. The banks have failed to recognise and grasp the glaring conflicts of interests between their commercial aims and their obligations to businesses and all of us to help SMEs to turn around and make a profit.

It is clear from this debate that my constituent's experience is one of many examples in which SMEs have been the victims of a banking sector that is focused solely on profit, not on supporting its customers or our wider economy. It is also clear that the financial ombudsman

[Jeff Smith]

is unable effectively to provide for accountability in cases such as the ones that we have heard about today. It lacks the power or authority not only to prevent such examples of corporate greed, but to achieve justice for those affected. In the wake of the FCA report, which has exposed a widespread failure in the system, the Government must take action, so I strongly call for a Select Committee inquiry—a proper inquiry—and a proper process to bring RBS and the other banks to justice on behalf of my constituents and those of other Members.

1.26 pm

**Kevin Hollinrake** (Thirsk and Malton) (Con): First, I must draw the attention of the House to my entry in the Register of Members' Financial Interests. I have been in business for 25 years and still am today, and our business was once a customer of RBS. Thankfully, we did not suffer from any of the tragic circumstances that many Members have talked about today.

I thank my co-officer on the all-party group on fair business banking, the hon. Member for Norwich South (Clive Lewis), for clearly setting out the case for a tribunal, to which I need to add very little detail. I will, however, make some further points. There is not only a case for justice here, but an economic imperative. We know that the powerhouse behind our economy is SMEs. Some 99% of all businesses are SMEs. They employ 60% of our private sector workforce and create 51% of its turnover, yet they have suffered terribly from these colossal injustices. There is now a crisis of confidence between our businesses and our banks. The Treasury is doing great work in trying to find funds for new companies and scale-ups that cannot borrow, but what about those companies that will not borrow because they just do not have the confidence to do so? Many people in the Public Gallery can provide great evidence to show that, in their minds and the minds of many other business people, that is absolutely the case.

This is about not just RBS, but many other banks, such as HBOS and Lloyds. We are talking about tens of thousands of businesses, but that statistic masks individual tragic stories. These are people's lives and their life's work. My constituents John and Kerry Welsby had a good business. They were persuaded to take on a loan that the bank salesman did not understand, and that they could not understand, but in the pressure of business, sometimes people take on such loans. They signed up to the loan but, as interest rates fell, the cost went from £6,000 a month to £17,000 a month. That broke the business. The bank then decided that it would compensate them for the cost of the loan—a few hundred thousand pounds, which is an awful lot of money—but what about the cost of the business that was broken? That was their life's work—tens of millions of pounds. It is an outrageous injustice.

The difficulty, as we all know, is not only that banks are too big to fail, but that they are too big and too wealthy to sue. No form of justice is available in this situation. I do not believe that the Financial Ombudsman Service could deliver the solutions we need. We need to look at other solutions to provide justice. Our all-party group is considering the idea of a tribunal and we need to ensure that we get that justice. In a tribunal, the

plaintiff will not have to carry the costs of the defence if they lose, so it represents an accessible form of justice. We believe that that could be delivered through secondary legislation, but obviously we need to look into that.

The all-party group accepts that we need to do proper research. One thing we absolutely cannot countenance, and that even businesses that have been wronged in this process will not countenance, is to stem the flow of lending. We cannot afford to do that, so we must take the time to conduct research. We are prepared, as an all-party group, to do that. We have support from some surprising places—participants in the financial services industry. We just need time for the Treasury to work with us to ensure that we deliver the right solutions for justice and to benefit small businesses and the UK economy.

1.30 pm

**Chris Ruane** (Vale of Clwyd) (Lab): For 10 years, I have been dealing with George Jones, a farmer in my constituency. George has been a victim of big banks, small banks, dodgy accountants, solicitors and valuers for the past 13 years. He has been let down by all the organisations that should have been there to help him, including various police forces, police and crime commissioners, the Independent Police Complaints Commission, the Solicitors Regulation Authority, the Financial Conduct Authority and the Serious Fraud Office.

My constituents and others from around the country are looking to us today, as parliamentarians, as their last hope of gaining justice. I hope that we do not let them down. The web of deceit between a whole range of organisations is highly complex, from the big banks—RBS and Lloyds—to accountants, solicitors and valuers. I hope to discuss the impact of this national scam as it pertains to my constituent George and his family. In doing so, I am heavily reliant on George and his friend, Martin Wickens, who is an expert in this area and has been working with him.

George Jones and his family were treated extremely poorly by Barclays. Within days of his father suffering a stroke, Barclays was round at his farm, stating that a new bank mandate was immediately required. Barclays leant heavily on my constituent, reorganising the finance not to the benefit of George or their mutual benefit, but to the benefit of the bank. It acted with indecent haste. Barclays also leant on him for insurance policies, saying that without insurance, the interest charges would be increased. Barclays effectively turned its back on my constituents.

Once Barclays had turned its back on George and his family, the family were forced to go elsewhere for finance. They turned to Peter Williams, a renowned agricultural solicitor who often featured in the agricultural press. Peter Williams, with his contacts in Burges Salmon Solicitors, UK Acorn and Commercial First, was able to get my constituents' debt down by £100,000. The costs to George and his family were £130,000. They then proceeded to tie George and his family up in debts, loans and mortgages that they could not get out of. My constituent is now a pensioner, and he will likely die in harness. He is effectively a slave to these parasitic financial organisations—and he is just one of 46 cases.

As I mentioned, the organisations that should have been investigating this have let George down. His friend, Martin Wickens, has done an analysis of 20 of the cases, and the modus operandi of Burges Salmon, UK Acorn and Commercial First is the same as has been repeated around the Chamber today: undisclosed conflicts of interest; valuation rigging; the payment of substantial secret commissions of up to £92,000; mortgage churning; regulated mortgages advanced on unregulated loans; conspiracy to defraud and document forgery; false accounting; and breaches of the Law of Property Act 1925.

In conclusion, I shall refer to the answer to a written parliamentary question that I tabled. George and other taxpayers have paid £134 billion to the banks since 2008. I hope the Treasury Committee will pursue this. I hope that we have an inquiry and that a tribunal is set up, and I hope that Avon and Somerset constabulary will now pursue Burges Salmon, Acorn Group and Commercial First.

1.34 pm

**Stephen Kerr** (Stirling) (Con): I congratulate the hon. Member for Norwich South (Clive Lewis) and the right hon. Member for North Norfolk (Norman Lamb) on securing this important debate. I wish to be associated with their remarks and with those of my right hon. Friend the Chair of the Treasury Committee.

Little did I know, when I left school at 16 to join the Royal Bank of Scotland as a junior bank officer, that all these years later I would be standing in the House of Commons talking, I am afraid, in negative terms about the Royal Bank of Scotland, which, as one of my colleagues said, was one of Scotland's finest institutions and now badly needs to be restored.

Little did I know, either, that I would end up speaking so often in this place about the Royal Bank of Scotland, most recently about the branch closures in my constituency. There is a theme here. The Royal Bank of Scotland is going to leave small businesses in Stirling, especially in Bridge of Allan, Dunblane and Bannockburn, with no branch to interact with to transact their cash management. I think, as we look through the issues today, we will see a theme of casual disregard and contempt for small and medium businesses, and that, I am afraid, pervades RBS's approach to business customers.

On the activities of the GRG, the FCA's October 2017 report makes depressing reading. I lost count of the number of times the words "inadequate", "inappropriate", "systemic" and "failure" were linked to a wide range of activities. Many Members from all parties have examples of how these systemic failures have affected individuals. I am no different. However, I am mindful of ongoing investigations involving cases in my constituency and I have no wish to prejudice or jeopardise their progress by making reference to them. I shall simply say that, in the cases that have been brought to my attention, there remain many unanswered questions for the Royal Bank of Scotland to address and many injustices to be put right.

**Eddie Hughes** (Walsall North) (Con): My hon. Friend mentions that he was employed by that bank, of which he was once very proud. Could he make any comment on what has brought us to the position where he is now embarrassed, perhaps, about his previous employment?

**Stephen Kerr:** I am not sure I am embarrassed about my previous employment, but what has brought us to this situation is a culture—a culture that, I am afraid, is institutionalised and industry-wide. That culture is captured in the document in my hand, which, thanks to the offices of the Treasury Committee, is now publicly available. The document, entitled "Just Hit Budget!" contains many sentiments that betray the culture of the Royal Bank of Scotland of that era, but I sincerely hope not of this era, although I remain unconvinced.

Interestingly enough, the chief executive of RBS, in correspondence to my right hon. Friend the Chair of the Treasury Committee, in my eyes justifies the letter by saying that

"it was written in 2009 by a junior"

bank

"manager".

Frankly, a junior bank manager would not have written that document without understanding that it conformed to the culture of the business that they were operating in. I am afraid that the chief executive is condemned by his own justification, which does not wash.

In the time that I have left, I will not try to rehash many of the things that have been said, but simply say this. There is a gap in funding support for small and medium-sized businesses in this country, and it is holding us back as an economy. These companies are the lifeblood—the engine room—of our economy, and it is not acceptable that they do not have recourse to an independent mechanism to which they can bring their complaints of unfair and unreasonable practices when dealing with our financial institutions.

Given the appalling conduct uncovered in many reports—not just the report that I referenced earlier—there is obviously a failure to comply with the voluntary code, however much the banking lobby may continue to stand by it. In fact, ironically, the stronger that lobby—funded, in part, by the inappropriate gains that have been made through the immoral practices in relation to small and medium-sized businesses—the stronger is the case for an independent body. They had their chance, in my eyes, and I am sure in others' eyes, and have failed. It is time, and it is right, for this Parliament to take responsibility—to step in and to act to ensure that an independent body, as described by me and others, is created, and as quickly as possible, because enough is enough.

1.39 pm

**Ged Killen** (Rutherglen and Hamilton West) (Lab/Co-op): As we have heard, this debate is about wider failures, which go beyond RBS GRG. I would like to highlight the extent of the problem by drawing on the experience of my constituent Mr Derek Carlyle, who is in the Gallery today. I pay tribute to the late Jimmy Hood, the former Member for Lanark and Hamilton East, who first raised this case in a Westminster Hall debate on 10 March 2010. The record of that will show a more thorough account of the case than I will be able to give today.

Almost eight years later, things have moved on significantly for Mr Carlyle, but the issues he faced and the considerable challenges he had to overcome remain today. What started as a good relationship with RBS took a turn for the worse in 2008, when a promise to



[Ged Killen]

provide development funding was withdrawn. Mr Carlyle went on to fight for 10 years in the face of relentless intimidation, bullying and underhand tactics by RBS. It sought to destroy Mr Carlyle, and it almost succeeded. It manipulated his personal bank accounts, seized his assets, forced his company into administration and set about preventing solicitors from acting on his behalf. His solicitor at the time, also a small business, found itself under siege, inundated with requests and bombarded with phone calls—so much so that it was unable carry out its usual functions and provide a service to its other clients. In the end, it felt that it had no option but to cease representing Mr Carlyle. Eventually, his case was taken by a firm of solicitors that was not specialised in litigation and first had to seek the permission of RBS before it could act.

Mr Carlyle had to go all the way to the Supreme Court to settle his case—the only person to do so—and it came at a huge financial and personal expense. He lost his business and his house; his private life was affected; he suffered damage to his reputation; and he was forced into bankruptcy. The great unfairness is that the bankruptcy restriction order against him is still in place today, meaning that he is unable to act as director of a company, unable to borrow more than £500, and even unable to become a Member of this House should he wish to turn his talents to the world of politics. How can it be fair for someone to fight for almost 10 years, be vindicated in the highest court of law, and then, at the end of it all, find themselves significantly disadvantaged in what they can and cannot do in their personal and professional life? The legislation that controls bankruptcy in Scotland is devolved. I am disappointed that the Minister for Business, Innovation and Energy in the Scottish Parliament has declined to intervene to correct the unfairness that means that Mr Carlyle is still subject to the bankruptcy restriction order.

Most of us would not have the determination or strength of character that it took for Derek Carlyle to win his case. He was told on more than one occasion to give up. He says that he relied on others who put their neck on the line, and no small measure of luck. If this can happen with a bank that is over 70% owned by the taxpayer, it can happen with any bank. It shows that we have a completely dysfunctional system where the balance of power is heavily in favour of not just the banks, but professional advisers who are integral to the system, such as surveyors, insolvency practitioners and solicitors. Moreover, bad behaviour is rewarded because outcomes like Mr Carlyle's are rare and almost impossible to pursue. It is in the interest of small and medium-sized enterprises and the banks to sort this problem now. It is not going away, and failing to tackle it will only push it further down the road. The last thing we need is another banking scandal.

It is not sustainable for banks to continue to act as judge and jury, and it should not take what Derek Carlyle had to go through to reach a fair outcome. I fully support the recommendation of the APPG on fair business banking. We need to bring complaints out into the open. We need an affordable, accessible dispute resolution process. It needs to be a completely independent system that sits outside the regulatory structure and has the knowledge and power to deal with the complex disputes that will be brought before it. The best way of

achieving that is through a public tribunal system, and I hope that Members across the House will back those calling for that.

1.43 pm

**Stewart Hosie** (Dundee East) (SNP): This is clearly an important debate, as evidenced by the testimonies that many Members have from their constituencies about RBS GRG. But it goes far wider than that, because RBS was not alone in facing allegations of mis-selling, of treating companies badly at the height of the banking crisis and of poor redress since. I am sure that many Members will have had cases of Clydesdale's tailored business loan mis-selling, where redress has not yet been made and constituents may have lost their homes, businesses and livelihoods as a result. It is also the case—this adds to our frustrations and those of our constituents—that some products were regulated and others were not and that some customers were deemed to be “sophisticated investors” while others were not. In short, there was an opaque regulatory environment that may have been sufficient in the good times, but most certainly was not when the money ran out and the banks were at their most stressed.

All the banks came under scrutiny, but much of the focus, understandably, was on RBS because it had such a large market share; because, by some measures, it was the largest bank in the world; and, not least, because of the allegations surrounding the treatment of businesses after they entered the bank's GRG. I will not describe the genesis of the products that people bought, as the hon. Member for Norwich South (Clive Lewis) did that well. I simply say that, when businesses wished to extract themselves, sometimes their only way of escape was to pay substantial sums, larger than any capital ever borrowed, but as they were distressed themselves as the economy downturned, that was not possible, and so, in the case of RBS, they went to GRG. One would have thought, as many have said, that this was to help businesses to recover, but few did. To be fair, some of those businesses are likely to have failed anyway, while others were potentially viable, and referral to GRG may have caused some difficulties. But the key point is that some definitely experienced actions that were likely to have resulted in material financial distress.

One of the many reasons this was able to happen is that in some cases commercial lending was not regulated. To be fair to RBS, it did work with the FCA and it has implemented the complaints review. It also trained the team under Sir William Blackburne, who was honest in saying that outcomes were not being delivered quickly. However, all that remedial work, some of which was very good, is undermined by the swirling belief that refuses to go away that businesses referred to GRG were cash-poor but asset-rich, and artificial default events were engineered. In short, the businesses were asset-stripped.

These allegations are made all the more persuasive by the fact that, as we now know, GRG had a commercial objective and was part of “project dash for cash”; and by what we have seen since the Treasury Committee published the “Just Hit Budget!” memo and the memo from 2008-09.

I fully support the motion. I want to end because time is short. The memo from RBS GRG said that a customer should transfer to GRG if a significant

deterioration in any aspect of their activity had happened, where a breach of covenant was likely but had not happened, or where they may miss a contractual payment to anyone. So even businesses that stuck to the terms of the RBS agreement could be referred to GRG. That was completely wrong.

1.47 pm

**Christian Matheson** (City of Chester) (Lab): Much as I support calls for a tribunal system and an inquiry, the longer I listen to the debate, the more I believe that there has to be much greater involvement of the police in what are clearly criminal conspiracies—particularly, perhaps, in relation to agreements between valuers and the banks to drive down the values of properties. The hon. Member for Thirsk and Malton (Kevin Hollinrake) is absolutely right that while we cannot forget the personal damage done to small business owners, this is an attack on the whole of the UK economy, which is underpinned by those small businesses. It should therefore be taken seriously in criminal terms at the national level.

My constituent Graham had his business destroyed by Clydesdale and Yorkshire bank, which unlawfully mis-sold tailored business loans to him and to other SME customers. The selling involved widespread and systematic unlawful conduct, including making deliberately false representations to coerce customers into taking on the obligations under tailored business loans. Customers were not told about any interest rate swaps associated with or embedded into their tailored business loans, nor were they given the bank's standard terms and conditions before or at the time of entering into the TBL. There was no mention of potentially substantial early termination penalty charges—break costs—allegedly associated with such interest rate derivative products.

As a result of this mass mis-selling, customers of these banks have suffered significant financial losses. The hidden break cost liabilities asserted by the banks meant that it became virtually impossible for customers to pay off their TBL completely or to switch their borrowing to another bank, as the hon. Member for Dundee East (Stewart Hosie) said. SMEs were therefore locked-in victims, forced to continue paying interest rates as high as 6% or 7% on these loans when the base rate was reduced to 0.5%.

SMEs were subjected to various other forms of abuse, including the manipulation of property valuations mentioned previously, which resulted in alleged covenant breaches of the loan-to-value ratio on the property underpinning the loans, as well as the unlawful repossession of properties, the manipulation of overdraft facilities to exert additional pressure, the unfair imposition of inflated bank charges and the unlawful calling-in of personal guarantees. It is no wonder that so many small businesses, and the families underpinning them, have gone under in these intolerable circumstances.

From investigating Graham's case and those of other constituents, I, like other hon. Members, am absolutely clear that the Financial Ombudsman Service is not fit for purpose, perhaps because it lacks the skills to understand these very complicated financial instruments, perhaps because it is under-resourced, or perhaps because it lacks the political will and is too close to the banks. It could also be—the Minister may want to consider this—that the legislative regime under which it operates is not sufficient and that it does not have sufficient scope.

I have one final point to make. This scandal has been compared to the PPI scandal, but I think it is in a league way beyond it. Adding extra money to somebody's payment protection insurance and then skimming some off the top is one thing, but deliberately driving down, crashing and destroying somebody's business, to which they and often their families have dedicated their lives, is in a league beyond anything we can comprehend. I return to the point I started with: this is criminality and it should be dealt with as such.

1.51 pm

**Patrick Grady** (Glasgow North) (SNP): I join others in congratulating the hon. Member for Norwich South (Clive Lewis) on securing this debate and in thanking the Backbench Business Committee for granting time for it, especially after a debate on the subject was cancelled before Christmas. It is clear from the contributions today that we could easily have filled a whole six hours, there is so much going on. I think it started for all of us with individual constituents coming to us, and we began to realise that this issue extends across the entire country.

One of the key questions, or perhaps the key question, that remains to be answered is whether the behaviour of the RBS GRG was, to paraphrase the right hon. Member for North Norfolk (Norman Lamb)—I hope this is not unparliamentary language—a cock-up or a conspiracy. Either way, the decision to seize and strip the assets of thousands of small businesses across the country has, as we have heard, caused untold misery to the owners and employees of these businesses and their families, and it seems to have caused genuine damage to the economy as a whole.

The fact that we are having this debate is a tribute to the campaigners, the various organisations that have raised awareness with their MPs and the work of the all-party group on fair business banking. Those campaigners include one of my constituents, Mr Neil Mitchell, who I know is watching this debate very closely. We have heard many powerful testimonies from constituents, and I want to share some of my constituent's experiences.

Neil was the chief executive of Torex Retail. He alleges that the RBS Global Restructuring Group “conspired by unlawful means” with Cerberus, a private equity fund in America, to engineer the sale of Torex to Cerberus for a cut-price £204 million in June 2007, which is more than 10 years ago. He alleges “systematic institutionalised fraud” by the RBS GRG in relation to its dealings, which have cost him his business, and time and money afterwards in his campaign for justice. Although I, like many Members, have been able to table parliamentary questions, speak in debates and write to and meet Ministers, Mr Mitchell has faced the burden of this case. While he is rightly seeking restitution of his own losses, his greater motivation has been to support other affected businesses in seeking justice and the establishment of a system that will mean that this kind of scandal can never happen again.

All Mr Mitchell really wanted was a meeting with the chief exec of RBS, and I wonder how much grief might have been avoided if RBS had been willing to meet constituents and business owners much earlier in the game. Instead, Mr Mitchell commenced private legal action against RBS, Cerberus and KPMG; he reported his case to the Serious Fraud Office and the FCA,

[Patrick Grady]

launched a civil legal action against the companies involved and financed a private criminal investigation with a view towards a private criminal prosecution. He has also played a part in the “ripped off” campaign. I pay tribute to his dogged determination and that of many other campaigners.

There are some key questions that the Government need to answer and that we perhaps all need to reflect on. First and most important, in whose interests were the decisions of the RBS GRG to force these businesses into default? Who has the beneficial interest in businesses that were secured borrowers being forced into default? Whether for an individual or a business, what is the primary objective of engineering the deliberate default and stripping of assets of businesses that potentially have long-term viability? Many of these businesses were stripped of fixed assets that realised capital for a state-owned bank, and individuals were forced out to the labour market, with all the cost to the state and loss to the economy that unemployment brings.

I thoroughly agree with all the calls for a dispute resolution mechanism and, indeed, for a public inquiry into the actions of GRG. Every victim of mis-selling should be given fair and equal opportunity to receive justice. Banks have to fulfil their duty to have the public interest at their heart, and that has to be put at the heart of banking culture in the United Kingdom.

1.55 pm

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): I congratulate my hon. Friend the Member for Norwich South (Clive Lewis) on securing the debate with the right hon. Member for North Norfolk (Norman Lamb), and on his excellent opening speech. He set a high bar, and his speech has been consistently matched by speaker after speaker in this debate.

I wish to raise the case of my constituent Ms Julia Davey, who ran two successful businesses, Angelic Interiors Ltd and Angel Group Ltd. I wish to place on the record my thanks to her barrister, Mr Simon Reeve, who represented Dewsbury in this House from 2010 to 2015, for his extensive briefing and assistance. In short, as at 30 April 2008, Angelic Interiors had fixed assets of over £30 million, with shareholder funds of £6 million; it was placed into administration in July 2016. At the same time, Angel Group had fixed assets of over £100 million, with shareholder funds of over £60 million; four years later it, too, would be placed into administration and then liquidated in 2015. Ms Davey has, by her calculations, personally lost over £6 million.

From the House of Commons Library briefing, it is clear that the focus of the Global Restructuring Group of the Royal Bank of Scotland was in many cases to liquidate companies, rather than to support them. The main charge is that it promoted the realisation of assets over other outcomes and that there was no attempt to rescue them.

Mr Reeve's brief says that the Tomlinson report makes it clear that RBS used its Global Restructuring Group artificially to distress the businesses of a significant number of its customers. Accounts were moved to GRG and customers were then charged exorbitant fees and/or forced to relinquish control of their businesses.

The method used within Lloyds Baking Group's London and south east impaired assets department was to compel customers to accept the involvement of what they were given to understand was a turnaround company. Very high fees were levied for this service and the “turnaround” company gradually gained control of the business and misappropriated its income before appropriating and/or disposing of its assets.

Lloyds' business support unit based in the City used a similar method in respect of Ms Davey, and her business. In 2009, her account was transferred from Leeds to the BSU without her knowledge. In September 2011, Ms Davey was told that she must retain the services of a third-party turnaround company, Baronsmead Consultancy. She was obliged to pay the fees charged by that firm, which were in excess of £644,000 for some 10 months' work. The total taken from Ms Davey in costs and fees during the period that her business was in the BSU was in excess of £6 million. She believed that the turnaround company was working for her and was, in conjunction with the bank, aiming to return her business to mainstream banking. She would still believe that to have been the aim, but for information provided to her by a whistleblower inside the turnaround company, who was appalled that while the so-called turnaround company was purporting to assist Ms Davey, it was actually colluding with the bank to put the business into administration. At a time when the BSU had already decided to close down Ms Davey's business, it was taking millions of pounds from her on the pretence that the business was to be turned around. This was not only deceitful, but wrong, and I would have thought criminal.

Part of the motion says that this House “believes that this indicates a systemic failure to effectively protect businesses, which has resulted in financial scandals costing tens of billions of pounds”.

The losses include those of my constituent Ms Davey. She is still waiting for justice, and I look forward to the Minister telling me how she will secure it.

1.59 pm

**Chris Elmore** (Ogmore) (Lab): I thank my hon. Friend the Member for Norwich South (Clive Lewis), and members of the all-party group, for securing this vital debate.

Small and medium-sized enterprises form the backbone of our economy as well as our communities. The banking industry exists to support them, but the widespread malpractice that plagues the sector has shown that the banks fail those responsibilities catastrophically. Members have given details of the shameful behaviour of RBS, but as has been shown today, such behaviour is not exclusive to that bank.

One constituent of mine—a customer of Lloyds—has lost millions as a consequence of such immoral practices. Mr Alun Richards, who is in the public Gallery today, was once the owner of an extensive farming and property business in west Wales. He became a customer of Lloyds which, after a period of time, decided suddenly and without warning to transfer his account to the Lloyds recoveries unit in Bristol. After Lloyds made that decision, Mr Richards was soon left with nothing. He lost millions of pounds, and the bank took away all his assets, including his home. The manner in which it did so was inappropriate, irresponsible, and without



any real explanation. There was little to no support available to Mr Richards, or any attempt to save the business. The solicitors, TLT of Bristol, acting on behalf of Lloyds bank, did so with intimidation and disrespect. Indeed, one Lloyds representative who met Mr Richards was not a Lloyds employee but on the payroll of chartered surveyors Alder King.

In the years that followed, Mr Richards raised complaints with the Royal Institution of Chartered Surveyors about the behaviour of Alder King, as well as with the Solicitors Regulation Authority regarding the behaviour of the solicitors involved. Each of the two regulatory bodies did little to nothing to investigate the situation. I have received many letters from both organisations, and to say that their responses have been half-baked would be an understatement.

Considerable attention has been paid to this issue in the House, including several Westminster Hall debates, and the beginnings of a sitting by the Business, Energy and Industrial Strategy Committee, during which the share price of Lloyds Banking Group dropped. Perhaps this debate will make Lloyds listen and realise that Members of Parliament are going nowhere, and neither are our constituents.

Such mistreatment of SMEs by the banking sector is a stain on the industry, and it is immoral, unjustified, and—unfortunately—widespread. I hope that after this debate, the Government will give due consideration to the atrocious behaviour by Lloyds, Alder King, and regulatory bodies such as RICS and the Solicitors Regulation Authority. Such regulatory bodies are there to deal with complaints, but they have utterly failed.

I am grateful that the Chair of the Treasury Committee spoke in this debate and said that she is in favour of some additional work on this issue. As I have told her, I am now composing a cross-party letter that will go to that Committee and call for a fuller and wider inquiry into the malpractices of the banking sector. This issue goes far beyond just one or two banks, and the system must be better regulated to prevent such behaviour. I hope that the Government will use the examples presented in this debate as evidence to do that, and I fully support the motion and the need for a tribunal service.

In the 30 seconds remaining to me I will also try to speak on behalf of my hon. Friend the Member for Cardiff West (Kevin Brennan). He is unable to attend this debate as he has a diary clash, and he apologises that he cannot be here. His constituents have suffered losses as the results of the practices of Lloyds bank and the receiver Alder King. He points out that the experiences of his constituents are similar to those related by hon. Members in previous debates, and they involve conflicts of interests, actions by banks that damage rather than support local businesses and an unhealthy culture that leads to unethical banking practices that have bankrupted many people who trusted their bank to act in their interest.

2.3 pm

**Tonia Antoniazzi** (Gower) (Lab): I thank my hon. Friend the Member for Norwich South (Clive Lewis) for securing this important debate.

I was shocked when, soon after being elected, I was approached by constituents who had been affected by major banks employing such unfair and—one can say

this—dishonest practices when dealing with their businesses. Although this debate is nominally about the practices of RBS, all the evidence I have seen shows that it is a widespread problem and that financial institutions are preying on businesses that have been given little, if any, protection from regulators or the criminal justice system. The financial institutions perpetrating these practices are in such a position of power that the Government must look at rebalancing the situation.

For many people, running their own business is not like having a job; it becomes more like part of the family. These are businesses that people have inherited from their families or built up from a small idea, and for many business owners they mean everything. Like others who have spoken in this debate, I too have constituents who have had their businesses destroyed after a lifetime of work. They have lost their homes and had their families torn apart; they have lost their health and their future, and they have been living a hand-to-mouth existence, just so that some banker can receive an obscene bonus.

My constituent Peter Way—he is here today in the public Gallery—had his prestigious business, which employed more than 500 people, taken away by Bibby Financial Services, which is no stranger to this type of skulduggery. Bibby put my constituent under such undue financial pressure with no warning that it destroyed not only his business, but nearly his life. Such things have taken place right across the asset financial sector, and on an industrial scale, by the majority—if not all—the asset finance companies.

Another constituent, Bryan Evans, had a business called EP Leisure, and he has also been the victim of unscrupulous practices by financial institutions. Barclays bank employed a firm of valuers called Lambert Smith Hampton. It vastly devalued the land owned by EP Leisure, which put undue pressure on Mr Evans's business. Following reports back to Barclays, the bank decided that EP Leisure was no longer a profitable investment, and the very same company that devalued the land was called in to become receivers for EP Leisure's land. That matter is the subject of an ongoing police investigation, and despite continued inquiries from Mr Evans, my predecessor, and even his predecessor, we are no further forward in getting justice for Mr Evans.

Why are we not getting that justice? We are not getting it because business banking remains an unregulated activity. Financial service providers can wait out many people who will eventually run out of money, time, or indeed sanity. There is no equity in legal representation—big banks have big expensive lawyers on their side, and there is literally nowhere for people to turn when such things happen to them.

What can the Government do to stop this scandal from hitting our SMEs? We need the rapid establishment of an independent, external service, such as the financial services tribunal system suggested in the motion. Today we have heard one shining example of a committed police force that acted against HBOS and secured convictions for fraud, but we need that to be the norm and not a one-off. SMEs provide the backbone of our economy. My constituents, and everyone who sets up a business and puts hours of dedication and hard work into it, deserves protection from underhand practices. I call on the Government to act to bring such practices to an end.

2.7 pm

**Kate Green** (Stretford and Urmston) (Lab): If we did not think before that there was a systemic crisis in banking, this debate has confirmed that there is.

The actions of the Global Restructuring Group have impacted on businesses and jobs in my constituency. I do not want to speak today about RBS's past mistreatment of its customers; instead I will concentrate on the way that the bank continues, today, to behave towards the businesses it has damaged. Some businesses seeking redress from RBS may be able to access the compensation scheme that the bank announced last year, but for those unable to pursue that route, the only course is legal action.

It is pretty shocking to watch the extraordinarily aggressive approach that the bank is taking to litigation. Costs are escalated to such an extent that all but the richest litigants are unable to pursue their cases. Satellite litigation is launched against claimants' funders, lawyers, and other third parties. Perhaps most shamefully of all, the bank has repeatedly been criticised for failing to provide full and frank disclosure in the courts during its defence of those claims. In 2016, in a well-publicised and ongoing dispute between Property Alliance Group, which is based in my constituency, and RBS, the bank was expressly criticised by Mrs Justice Asplin in the High Court for taking what she described as a "cavalier" attitude to disclosure. Last week, with the case now heading to the Court of Appeal, the court was again forced to order RBS to hand over more documents—clearly the bank has paid no heed to demands for disclosure. That is not an isolated case. LEXLAW has detailed other cases where RBS failed to provide full disclosure to the court and the claimant. That is clearly not how litigation should be conducted.

Equally, there are concerns about how the bank is operating the compensation scheme announced last year. At £400 million, the fund sounds generous, but in reality it does not come close to recognising the true extent of the harm caused to businesses or the benefit that RBS has enjoyed from GRG's activities. The fund addresses only a limited range of GRG's misconduct and is available only to a fraction of the businesses that suffered. Research carried out by Property Alliance Group suggests that the real size of RBS's compensation scheme should be at least 10 times its current scale—closer to £4 billion than £400 million—and that is because one of GRG's most heavily criticised practices was the process by which the bank bullied customers into giving away equity stakes in their business in return for its continued support. These so-called upside instruments have been criticised widely but were profitable, and if we look at the balance sheets and reports and accounts of the RBS subsidiary that managed the assets, SIG Holdings, we can see that the bank profited to the tune of £400 million from these practices. As will be immediately apparent, that £400 million, from just one area of the bank's misconduct, equates to RBS's entire compensation scheme, which covers all areas of misconduct.

What is more, the accounts of SIG Holdings for the year ending 2016 show that the bank set aside just over £40 million in practice for the costs associated with the complaints process and the automatic refund of complex fees to customers. Andrew Bailey, the chief executive of the FCA, told the Treasury Committee last October that RBS had paid or made offers of about £115 million,

which is well short of the £400 million fund, and neither is it clear that the money has been either paid or accepted by claimants.

In conclusion, this debate does not just concern RBS's past actions; it continues to do all it can to avoid its responsibilities. Far from rebuilding trust, the bank continues to treat its customers with disdain, both in the courts and in the operation of its compensation scheme.

2.11 pm

**Christine Jardine** (Edinburgh West) (LD): I congratulate my right hon. Friend the Member for North Norfolk (Norman Lamb) on securing this debate on a subject that has cost so many of our constituents so much. Public dissatisfaction with the conduct and running of our banking sector has been one of the dominant themes of the past decade, much of it prompted by the behaviour and management of RBS, which, as the hon. Member for Stirling (Stephen Kerr) pointed out, is in the news again this week with regard to bank closures.

We should remember, however, that there is a wider issue. What we have is the banking system's systemic failure to protect its own customers. We must not underestimate the impact on those customers, each of whom is an individual—a business person—with a family. Owners of SMEs have found that they are the victims of this systemic failure that has cost them their businesses and, in some cases, their homes. I have a constituent who has been pursuing a case for 10 years. Following a review by the FCA, he been awarded compensation, but he does not believe that that compensation takes into account the consequential losses of his business and property, and the costs of having to arrange another loan. He estimates that he is now more than £1 million worse off than before he went into business with this national bank.

In the decade in which my constituent has pursued his complaint, I am his third Member of Parliament to whom he has brought his case. We are still having to argue that the system is wrong and needs to be changed. His is typical of businesses caught in a trap without fair protection in law. For businesses that want to challenge a bank in court, the process is slow and expensive, and if they lose, they will have legal costs to pay on top of what the original problem might already have cost them. Where is the incentive for the banks to avoid malpractice and obey the law if they know they cannot be challenged because their victims cannot afford to take them to court?

That is exactly that situation that many of our constituents have found themselves in. They want their day in court, or at least the opportunity for a legal process to decide what is fair. Yes, we have the financial ombudsman, but that can only arrange fair and reasonable settlements as it sees it. What about those who feel—rightly or wrongly—that they deserve better than that fair and reasonable settlement and that the ombudsman's view falls short? That is why I believe we need a tribunal system that will allow the many SMEs that have been mis-sold to and mistreated—some would say cheated—by the big banks the chance to feel that the system can protect them. The process would be cheaper and less formal, and complainants would not need a lawyer. We know that such a process works in other places.

The system has failed. It allowed malpractice that cost hard-working individuals their businesses and homes. This is an injustice that we have an opportunity—indeed, a duty—to address, and I ask the House to support the motion.

2.15 pm

**Jim Shannon** (Strangford) (DUP): I thank the hon. Member for Norwich South (Clive Lewis) for securing this debate and all right hon. and hon. Members who have spoken. We have heard significant contributions and good personal stories although, unfortunately, some were very hard to listen to.

In Northern Ireland, SMEs account for 75% of employment, 75% of turnover and 81% of gross value added. The private sector has clearly taken us away from the past, and it is important that we do so. I have written to the FCA, and Andrew Bailey in particular, outlining the case for UK SMEs. I am reminded that the former Chair of the Treasury Committee referred to HBOS as the second-worst failure in British banking history—it was beaten, of course, by RBS. In our correspondence, Mr Bailey made a couple of relevant points. The only planned action to which his reply referred was that the FCA expected to issue a consultation on the expanded role of the Financial Ombudsman Service in undertaking more disputed cases with banks. As of last Friday, however, nothing had happened, so everyone is dragging their heels, and the FCA board seems to have no suggestions or comments to make. I respectfully ask the Minister and Her Majesty's Government what action they would consider taking to further support SMEs.

I am aware from my right hon. Friend the Member for East Antrim (Sammy Wilson) that the all-party group on fair business banking proposes an independent tribunal system, which is good news. I am also aware that a freedom of information request has shown that since July 2015, the FOS has considered some 633 mis-selling complaints from micro-enterprises regarding fixed-rate commercial loans and mortgages. Some 21 were upheld with awards of greater than £75,000, and some recommendations were for as much as £150,000, but are the successful complainant businesses actually receiving from the bank the money recommended above the current statutory award? I can say now that some of my constituents have not. It is absolutely disgraceful that while their complaints have been upheld, the moneys are still lingering somewhere other than where they should be—with the complainants.

In the short time I have, I want to illustrate my point with the case of a large family dairy farm in Northern Ireland. It took out a £1 million loan with Danske Bank on the day of the highest LIBOR rate, on 1 October 2008, and since the day of £1 million loan drawdown on 22 January 2009, the farm has paid almost £500,000 in capital and—wait till you hear this one—£535,000 in interest, including another £62,000 because it moved to another bank. That bank has really screwed them, if I can use that word. I do not know if it is unparliamentary language and I apologise if it is, but that is how I feel. The Democratic Unionist party is watching how the FOS process handles this mis-selling case.

There are lots of other cases as well. Another bank that has treated small businesses in Strangford with disdain is the Ulster Bank. It has “restructured” its

loans—that is its way of describing what appear to be deliberate destabilising assaults on small businesses. How do we quantify compensation for lost opportunities? The fact is we cannot. Small businesses have gone under, drowning as they watch the Government bailing out bankers. I call for the return of the old-fashioned code of truth, honesty, fairness, common decency, integrity and transparency throughout the whole banking industry. I call for the return of the bank manager who actually knows people, rather than glancing at an online profile. It is time that we did our best for our people.

2.19 pm

**Martin Whitfield** (East Lothian) (Lab): It is a pleasure to follow the hon. Member for Strangford (Jim Shannon). I thank the Backbench Business Committee for granting the debate, and my hon. Friend the Member for Norwich South (Clive Lewis) and the right hon. Member for North Norfolk (Norman Lamb) for securing it.

This afternoon, we have heard about horrendous and nightmare cases, and I do not intend to add to those, because every Member of the House will have had through their constituency doors businesses and individuals who have suffered at the hands of the banks. We have also heard this afternoon that this is about not just one bank but many banks—it may, indeed, be every bank. To pick up on a comment made by my hon. Friend the Member for Norwich South, this is about conduct. It is about the deliberate choices the banks have made to facilitate profit for some.

When constituents and businesses come through our doors, they are coming to their MP as a last resort. I ask how many individuals and businesses gave up along the way, when it became just too hard to pursue what really was a battle against a giant. I raise that question because the banks' conduct is one of the indications our communities and constituents take on board as they judge our banks and our banking system. The conduct we have heard about this afternoon—it has been around too long—is severely damaging the fundamental reputation of our banking system.

I had the honour of leading a Westminster Hall debate on 11 January during which we looked at banks' responsibility towards communities. Today's debate, which has explored the conduct of the banks, has shown how society's trust in our banks is very much at a crossroads. I will be very interested to hear the Minister's views about how we can start to rebuild that trust in a fundamental part of business. We need the banks, but we must remember, and the banks must remember, that they need our communities as well.

We are looking for answers about transparency and about honesty. I want an answer on banks' willingness to see imaginative answers to the problems they are confronted with, and I echo the call for a tribunal system. I would also raise the question of fair funding. As the economy becomes more complex, and as our communities and SMEs start to lose confidence in banks, or that confidence is at a crossroads, they are starting to look to other areas for funding. That is another major issue coming this way. I call on the Minister to seriously consider facilitating roundtable discussions on the question of banks' responsibility to communities, our SMEs and those people who have supported the banks for so long.



2.22 pm

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): I also commend the hon. Member for Norwich South (Clive Lewis) for bringing this important debate here today. He started by talking about people's incredulity that any bank could act in this way, and we have heard from right hon. and hon. Members from all parts of this House about how these things have impacted on people. As the hon. Member for Edinburgh West (Christine Jardine) said, families have suffered. That is the background to this; it is not just businesses that have suffered. People have lost businesses, lost incomes and lost homes. We have seen the break-up of marriages and mental health impacts. Grimly, as we heard from the Treasury Committee memo, the view was that customers could just hang themselves, and there is testimony of people attempting suicide. It is shocking stuff.

Some of those affected feel responsible for losing their family businesses and feel deep shame at that happening. These things have devastated people, many of whom, as we have heard today, had good businesses that were ready to contribute to the economy and to aid productivity. Earlier, the hon. Member for West Bromwich West (Mr Bailey) described GRG as death row, and it was for some.

When people tried to fight these injustices, they would face enormous financial costs. I understand that it cost £10,000 just to raise an action, which was beyond the capability of many people in those circumstances. Businesses with as few as 10 employees have been affected. This issue has had an enormously wide reach. If people could look to take forward legal action, they would find that the banks had sewn up all the solicitors in the area, making it impossible to get the correct level of representation.

As we have heard from Members on both sides of the Chamber—and the SNP feels just as strongly about this—we need to see justice for people. Those on the Government Front Bench should have heard loud and clear today the strength of feeling from all parts of this Chamber and beyond. People will be shocked and disappointed that these things have been allowed to happen. It is unacceptable that banks have devastated firms, spreading misery by making people bankrupt and homeless.

The FCA's final summary of the Promontory report exposes a set of serious failures by RBS to protect companies it should have been serving. As the evidence mounts, so too does the responsibility to act.

**The Economic Secretary to the Treasury (John Glen)**  
*indicated assent.*

**Drew Hendry:** I am glad to see the Minister nodding and that he seems to be willing to take this forward. I hope that substantial action is taken.

We in the SNP believe that the current system of dealings with the regulator and the litigation process on mis-selling is inadequate. It must be a priority for the Government to ensure that every victim of mis-selling is given fair and equal access, so that they can see justice done. As the hon. Member for Stirling (Stephen Kerr) mentioned, an independent body is required. We call on the Minister to commit to and create a permanent commercial financial dispute resolution platform to

serve the victims of mis-selling. He must pick up where the FCA has failed and produce a comprehensive review of banking culture to avoid a repeat of these things.

In the aftermath of the financial crisis, when all banks were required to rebuild their capital, it was alleged that the main focus of the Global Restructuring Group was to liquidate, rather than support, businesses through further lending. The main charge against GRG is that it prioritised the realisation of assets over other, more business customer-supportive actions. Recently, we have also heard accusations of the mis-selling of rate swaps, and GRG is not alone in drawing criticism. As my hon. Friend the Member for Dundee East (Stewart Hosie) mentioned, SMEs have complained about tailored business loans sold by the Clydesdale Bank.

The Tomlinson report was damning of GRG. Much of the evidence pointed to businesses that were otherwise perfectly viable in the medium to long term, as we have heard in much of the testimony today, being moved into the RBS turnaround division—the GRG—and being trapped there, with no escape. Businesses were sunk by the bank, with the bank taking out all it could, beyond what was reasonable, and to such an extent that it directly contributed to the businesses' financial deterioration and, in some cases, collapse. Technical breaches were used as excuses. There was evidence in some instances of covenants being used to put businesses in default and to transfer them out of local management.

Time does not allow me to go further into some of the details of the inequities that have been visited on people who have suffered at the hands of GRG and as a result of the unfair business banking practices we have heard about today. The Government must ensure that there is a firm mechanism that is fair for people, so that they can get justice in this case. I look forward to hearing what the Minister will tell us at the end of this debate.

2.28 pm

**Bill Esterson** (Sefton Central) (Lab): I hope the Government will listen to the overwhelming case that has been well made on both sides of the House—including by speaker after speaker on the Government Back Benches—for action on behalf of small businesses in our constituencies.

We started with a powerful speech from my hon. Friend the Member for Norwich South (Clive Lewis), and I commend him and the all-party parliamentary group on fair business banking and finance for bringing this issue forward. I also thank all Members who have taken part in the debate and particularly my hon. Friend the Member for Cardiff Central (Jo Stevens), my right hon. Friend the Member for Tynemouth (Mr Campbell) and my hon. Friends the Members for West Bromwich West (Mr Bailey), for Bridgend (Mrs Moon), for Manchester, Withington (Jeff Smith), for Vale of Clwyd (Chris Ruane), for Rutherglen and Hamilton West (Ged Killen), for City of Chester (Christian Matheson), for Poplar and Limehouse (Jim Fitzpatrick), for Ogmore (Chris Elmore), for Gower (Tonia Antoniazzi), for Stretford and Urmston (Kate Green) and for East Lothian (Martin Whitfield).

When Carillion went bust at the start of the week, it struck me that there were similarities with the way that RBS treated its small business customers. In both

cases, smaller businesses—Carillion’s suppliers and RBS customers—have been imperilled by the actions of much larger players. I know of at least one business that, having been put into GRG, is still in the successor division, years later, and as of this week is owed tens of thousands by Carillion that it is never going to receive. It is not good enough. The mistreatment of smaller firms must stop.

The news that banks are to provide additional support for Carillion’s suppliers is of course welcome, but this must not be just a short-term, headline-grabbing announcement. It must mean longer-term support, of the sort that was sorely lacking in RBS GRG and of the kind that was put in place by the Labour Government to support suppliers with the creation of the taskforce following the collapse of Rover in 2005. That is a good example for Ministers to follow.

What happened at RBS GRG was nothing short of a scandal and a disaster for the victims. Businesses were ruined, families were torn apart and people took their own lives. My hon. Friend the Member for Cardiff Central reminded us of the criminal convictions at Lloyds HBOS. There are many—some mentioned it today—who believe criminal investigations to be the appropriate way forward at RBS GRG. Justice is a vital step in the long process of rebuilding trust in business lending, which in 2016 was still so low that only 9% of smaller firms approached their bank to borrow money—and they did not all borrow. It is crucial to the success of our economy that there is a healthy relationship between the banks and smaller firms. We need our smaller firms to play their full part in contributing to the prosperity of this country. Relationships of trust are crucial.

The next Labour Government will introduce a network of regional development banks to support smaller firms, but those firms also need the help of the traditional banking sector and they need it now. Let us remember that, according to the Promontory report, 83% of businesses that were put into GRG were the subject of inappropriate treatment. Two thirds of businesses were viable, yet depending on which figures we look at, only 5% or 10% survived the process. The figure for inappropriate treatment of those who were potentially viable is higher, at 92%.

According to the then head of global markets, RBS decided to exit non-core markets. In practice, that meant getting businesses off its books as fast as possible, not by telling its business customers so that they could move to a new bank, but by putting them into intensive care—or rather, a slaughterhouse or mortuary, or on death row, to borrow the phrases used by my hon. Friends—charging exorbitant fees, using their own valuations and using interest rate-hedging products. Then there was the freezing of personal bank accounts, something that happened to my constituent John Pile. Mr Pile had never previously missed a mortgage payment on his commercial properties, yet the result for him and his family was the bank claiming that he had defaulted, despite having substantial sums of money in his personal account, which was frozen. He could have used that money, but was prevented from doing so by the same bank.

Customers who were making decent profits, whose rental incomes were well in excess of their interest payments, were put into GRG on the spurious grounds that their loan-to-values had suddenly dropped, on the basis of revaluations carried out by the bank’s own valuers.

Then there was the overnight demand of repayment of overdrafts that were a key part of the day-to-day operations of many businesses. This was not proper turnaround practice—it was not turnaround practice at all for the customers. It was more like the turnaround of the bank at the expense of its customers. Perhaps the name, Global Restructuring Group, was a clue. It was a division responsible for the restructuring of the bank, not the small businesses that banked there.

Which brings me to the call for a full independent inquiry. Promontory carried out part one of its investigation for the Financial Conduct Authority. RBS does not want the report published, although much of it is now in the public domain, but nor does RBS want Promontory to carry out part two. Instead of sticking to its guns, the FCA has complied with the demands of the bank that it is supposed to regulate and gone for the in-house option. The suspicion will remain that such an approach means a lack of independence on RBS by its regulator. We know that the FCA is afraid of legal action if it publishes part one of the Promontory report because it told the Treasury Committee that, but it will simply not help to rebuild trust if the regulator is in fear of a bank and feels restricted in its ability to provide full oversight.

There are still many questions to be answered. Why were viable business customers put into GRG? At Ulster Bank, a substantial part of its business was deemed non-core and its customers were nearly all put into GRG. Meanwhile, there are disturbing parallels at other banks, affecting Dunbar Bank business customers and Acorn Finance, and we also heard about Bibby. They all tell a similar story to the RBS GRG story. Why did RBS not tell its customers when they were no longer core business and give them the chance to move to other banks? Who in management knew? Where was the oversight in the Treasury? Promontory says that overmanagement knew, so when will those responsible be held accountable? Why did GRG not follow turnaround procedures? This all needs to be in the public domain and properly acknowledged.

Until those questions are answered and those responsible held accountable, the victims will be denied justice, we will remain at 9% of smaller businesses asking their banks about borrowing money, and investment, productivity and prosperity will all be undermined. As my hon. Friend the Member for Norwich South says in the motion, the call, which has been well evidenced today, is for a robust system of dispute resolution. It is needed to overcome the imbalance of power in the relationship between smaller firms and their banks. That is also why the call for an inquiry into the treatment of SMEs by financial institutions and the protections afforded to them is the right call. And yes, it should look at all banks, not just RBS. No one else can intervene and ensure fair treatment. The regulator has had to restrict its activities under RBS pressure. Unless and until the Government intervenes, this injustice and the long-term economic effects will continue to hold back a crucial part of our economy.

The issue of how RBS GRG treated its smaller business customers will not go away. The victims will not go away. Those of us across the House who want to see justice will not go away. The Government must now ensure that justice is done and seen to be done.

2.37 pm

**The Economic Secretary to the Treasury (John Glen):** It is a privilege to stand at the Dispatch Box in my new role as Economic Secretary to the Treasury. I think we all feel the privilege of being Members of this House, but listening to today's debate I also feel a great responsibility—to respond fully to the many serious examples that have been given of how the banking sector, and this group in particular, has failed so many of our constituents. I want to make it clear that in doing this job and in addressing the issues that have been raised today, I will stop at nothing in making improvements.

I begin by thanking the hon. Member for Norwich South (Clive Lewis) and the right hon. Member for North Norfolk (Norman Lamb) for initiating the debate, and the Backbench Business Committee for granting it. I also thank my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for his work in the all-party parliamentary group on fair business banking.

What we all care about—it has been made very clear in today's debate—is that businesses form the lifeblood of our economy and they need a reliable mechanism to deal with disputes with banks. I am vividly aware of that, because I grew up not in a bank but in a small business. I know the risks, the anxieties, the sleepless nights, the pressures on family life and the lack of assurance over salary, so I understand that the experiences of small businesses and their relationships with banks really matter. The Government have always maintained a commitment to support and engage with businesses both small and large, and that commitment will continue unfettered.

The Government recognise that access to finance, which is the crux of the debate, is necessary for businesses to grow organically. We have a strong record of supporting businesses large and small, for instance, through measures in the Budget. The competitive tax regime—corporation tax was cut from 28% to 19%, the lowest rate in the G20—is a significant part of that, but what is really important is that businesses have access to money at a reasonable cost, with reasonable assurances on the terms of securing those funds.

A fantastic range of evidence has been presented to us today. We heard about Mr Smith's engineering business in Bridgend and Mr Topping's business in Hazel Grove. We heard vivid personal testimony from my hon. Friend the Member for Dumfries and Galloway (Mr Jack). My hon. Friend the Member for Thirsk and Malton gave the striking example of a monthly interest rate payment that rose, almost inexplicably, from £6,000 to £17,000 a month, leading to catastrophic losses. The hon. Member for Rutherglen and Hamilton West (Ged Killen) gave examples that went back eight years. There were further examples from the hon. Member for City of Chester (Christian Matheson) and my hon. Friend the Member for Stirling (Stephen Kerr), the hon. Member for Glasgow North (Patrick Grady), who spoke about Mr Mitchell, the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), and the hon. Member for Ogmore (Chris Elmore), who mentioned Mr Richards. In those cases, tortuous processes were necessary to secure redress or a meaningful dialogue leading to an outcome. My hon. Friend the Member for Eastleigh (Mims Davies) has told me about the Sayers family, who have also suffered. We heard further powerful testimony from the hon. Member for Strangford (Jim Shannon), who used uncharacteristically strong language—legitimately so.

I too have been contacted by constituents and I have been saddened to hear the stories of many former RBS customers. The Financial Conduct Authority is reviewing the situation; it has said that it is considering the matters arising from the report it commissioned and considering whether there is any basis for further action within its powers. It would not be appropriate for me to comment further at this precise time, but I will say that although, on day seven of my job, I have not yet met the head of the FCA, this will be the first topic that I will be raising with him.

**Bob Stewart:** Will the Minister give way?

**John Glen:** I do not want to give way too many times, but I will give way to my hon. Friend.

**Bob Stewart:** First, I congratulate the Prime Minister on having the extremely good sense to appoint such a wonderful new Minister—a great friend, and someone who is really going to sort this problem out. May I ask on behalf of everyone present for the Government to be onside to ensure that the people who have lost so much are recompensed properly? We are not talking just about the future; we are taking about dealing with the past.

**John Glen:** I thank my hon. Friend for his kind words. Of course we need to reach a stage where we have some answers. We need to know what went wrong, and we need to secure an outcome that is acceptable to our constituents.

It is important to recognise the fundamental need for financial providers to act in accordance with the rules of the FCA and the spirit of its principles. When they do not act in accordance with those principles, we need to have confidence in the mechanisms that exist to resolve disputes.

**Norman Lamb:** The Minister has not yet mentioned the role of whistleblowers. Does he agree that they are vital to maintaining the integrity of the financial system, that they need proper protection—an office of the whistleblower—and that they should be rewarded for being brave enough to reveal wrongdoing?

**John Glen:** I listened very carefully to the right hon. Gentleman's remarks and he is absolutely right. We need a change to the culture to enable wrongdoing to be exposed and dealt with, and I will look very carefully at this matter and the principles in his suggestions.

I am very aware of the allegations and the powerful testimony made against RB. I have taken on board the discussions we have had today, and later I will refer to some of the other substantive points raised across the House, but I want to be clear with Members: I saw the front page of *City A.M.* today, whose headline is "Go Hang", and I do not condone the language in the GRG letter that RBS itself chose to release yesterday. I assure the House that the Government take these issues and any allegations of malpractice very seriously.

**Nicky Morgan:** Just for the record, will the Minister be very clear that RBS did not choose to release the letter; it was asked to do so, and like most other information, it has had to be dragged out of it by successive letters and attempts by Members of this House?



**John Glen:** I am grateful to my right hon. Friend for her intervention and acknowledge the work she is doing on the Select Committee, and it would be much more helpful to this process if RBS were more co-operative with the Committee and the legitimate process of scrutiny that she and her Committee members are seeking to undertake.

Not only do the Government take these matters seriously, but the FCA is well aware of them and continues to address this issue. As I said, it will be the first thing I raise when I meet Andrew Bailey very shortly. In October, the FCA released a detailed summary of its skilled persons report, which examined RBS's treatment of SMEs in financial difficulty. The FCA is now investigating the matters arising from the report.

I am aware of the frustration over the time the process is taking. The outcome of this investigation and the action the FCA proposes to take is critical to small businesses across this country, but I remind Members that the FCA is an independent body. That is vital to its role, credibility, authority and value to consumers, and they would be undermined if it were possible for the Government to intervene in day-to-day decision making. We can set the law, but we then must be bound by it and respect the judgment and independence of the FCA.

It would not be productive for me to address from the Dispatch Box every specific case and allegation, and I want now to turn to the wider issue of SMEs and how disputes are resolved between them and their banks.

**Ian Paisley (North Antrim) (DUP):** The Minister is making a thoughtful speech. Can he assure the House that the FCA will not be a toothless bulldog and that it will actually have some bite?

**John Glen:** I think the FCA understands, in the light of today's debate, where the pressure is leading to and what action we will need to take if its response is not effective.

The key issue for the debate today, which I discussed with all-party group members yesterday afternoon, is that we must remember that there are already multiple avenues for resolution. I understand the frustrations Members have expressed about their effectiveness, but our smallest businesses have redress via the Financial Ombudsman Service for quick and informal resolution of disputes, the FCA has the power to take action to address issues that require resolution, and there is also the usual legal recourse available for businesses.

**Jo Stevens:** Will the Minister give way?

**John Glen:** No, I am going to make some more progress, but I might give way later.

The motion calls for an independent inquiry into the treatment of SMEs by financial institutions, reflecting the frustration addressed by Members across the House today in respect of the experience of their constituents. A number of contributions have also focused on the proposed new tribunal system to deal with financial disputes between banks and SMEs.

As the industry, the FCA and the Treasury progress discussions on this issue, all avenues will be considered. The FCA is undertaking a review, and it launched a discussion paper on SMEs in November 2015. I feel

that that is a very long time ago, so I am reassured to be able to report to the House that it will be making a statement on Monday 22 January on its 2015 SME paper and on its consultation on widening SME eligibility for the Financial Ombudsman Service. I shall look carefully at what it comes up with. The FCA has promised to consult on widening the remit of the FOS for small businesses—the detail of that will be known—and to take a view on SMEs' access to redress more broadly. I hope and believe that we will see significant steps forward.

I have thanked the hon. Member for Norwich South and the right hon. Member for North Norfolk for raising this issue. I also want to mention the hon. Member for Sefton Central (Bill Esterson), who mentioned Lloyds' support for SMEs in the Carillion supply chain. I am pleased to report that it has been announced since we have been in the Chamber that Lloyds is taking the required steps to help those facing short-term problems as a result of the Carillion group going into liquidation by providing £50 million to support the SMEs affected. It is essential that the small businesses exposed to the Carillion insolvency should be given the support they need by their lenders. I was with the Business Secretary yesterday when we met representatives of the banks to explain that to them. It is in the UK's interest that our businesses continue to prosper and thrive. That will mean allowing them ready access to finance at a serviceable cost. This is about getting the balance right, and that is what the Government are helping them to do.

I thank all hon. Members who have contributed to the debate, and I will try succinctly to summarise the Government's position. We certainly note the many intensely painful experiences and issues raised in the motion and by hon. Members in the debate. On GRG, it is right that we should wait for the conclusion of the FCA's investigation of the matters arising from its skilled persons report before determining what further action needs to be taken. On the broader issue of dispute resolution, I remind the House of the existing avenues that are open to businesses, but the FCA is undertaking work to look at the relationship between SMEs and financial services providers. It is also right that we await the next steps in that area. However, I assure the House that this Government will continue to support businesses large and small when addressing these challenges.

Let my final words be these: small businesses and their continued success are critical to the continued growth and improvements in productivity of our economy, and SMEs' improved confidence in the mechanisms to achieve redress from banks is crucial. In my role in this Government, I will be doing everything I can to ensure that the injustices that have been discussed today are addressed.

2.53 pm

**Clive Lewis:** I thank the Minister for his response, and I thank all the hon. Friends and hon. Members across the House who have taken part in this passionate debate today, whether they are self-confessed capitalists, such as the hon. Member for Hazel Grove (Mr Wragg), seeking to challenge crony capitalism or those such as my right hon. Friend the Member for Tynemouth (Mr Campbell) who are perhaps seeking more traditional socialist transitional demands. There has been almost unanimous support across the House for the motion.

[Clive Lewis]

We want justice for our constituents and a banking system fit for the 21st century. In effect, we seek nothing less than the renewal of the broken social contract between banks and the public. Unfortunately, the language used in today's debate has painted a picture of a social contract that lies in tatters. We have heard references to a web of deceit, a dash for cash, systemic abuse, parasitic relationships and asset stripping. Three words that we have heard repeatedly today are "enough is enough".

I want to make a couple of comments about the Minister's input. He said in his opening remarks that he and his Government would stop at nothing and spoke of the need for a fundamental culture change, but he then offered little except more warm words. I understand that he has been in his job for just seven days, but this situation has been going on for some time now and the issues are out there, a point which has been made clearly by Members across the House. The Government still seem to favour a solution involving the Financial Ombudsman Service, but even with some extension of its role, it is suitable only for low-level disputes. It has no powers of disclosure. It cannot enforce decisions. It has no teeth. It cannot adjudicate. It cannot deal with complex cases.

**John Glen:** I fully recognise the frustration that the hon. Gentleman is expressing, but I also said that the Government rule nothing out. We will see what the proposals are and respond accordingly. I think that that is a reasonable position given the relationship between the Government and the FCA.

**Clive Lewis:** I acknowledge the Minister's remarks, but time is not on the side of many people, so many of whom have been affected for so many years. I understand the Government's reluctance to say anything today, but they must come to a conclusion quickly. From listening to Members from across the House, we understand that if we rebuild justice and confidence in our banking system, that would be good for business and good for banks and would maximise our country's economic potential. I will conclude with the words of the late, great Errol Brown of Hot Chocolate fame—one of my favourites—because if we get this right,

"Everyone's a winner, baby".

*Question put and agreed to.*

*Resolved,*

That this House is deeply concerned by the treatment of small and medium-sized enterprises (SMEs) by the Global Restructuring Group of the Royal Bank of Scotland; notes that there are wider allegations of malpractice in financial services and related industries; believes that this indicates a systemic failure to effectively protect businesses, which has resulted in financial scandals costing tens of billions of pounds; further believes that a solution requires the collective and collaborative effort of regulators, Parliament and Government; and calls for an independent inquiry into the treatment of SMEs by financial institutions and the protections afforded to them, and the rapid establishment of a tribunal system to deal effectively with financial disputes involving SMEs.

## Holocaust Memorial Day

**Madam Deputy Speaker (Mrs Eleanor Laing):** Before I call the mover of the motion, I will say the same as I said at the start of the last debate. There is limited time available, and the allocated time for the mover of the motion is approximately 15 minutes. There will then be an immediate limit on Back-Bench speeches of five minutes.

2.57 pm

**Andrew Percy (Brigg and Goole) (Con):** I beg to move,

That this House has considered Holocaust Memorial Day 2018.

It is an honour and a pleasure to move the motion, and I thank the hon. Members for West Dunbartonshire (Martin Docherty-Hughes), for Hove (Peter Kyle) and for Eastbourne (Stephen Lloyd) for accompanying me to the Backbench Business Committee to secure this debate. I also thank all the other Members who are in attendance. It is a particular honour to start this year's debate having responded to last year's debate as the Minister, and I welcome the new Parliamentary Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Richmond (Yorks) (Rishi Sunak), to his position. It was my first time responding to a debate on the Floor of the House of Commons, and I believe that it is his first time doing so this afternoon. I had been in post for a few months, however, and perhaps had an easier time than he will, so we all wish him the best of luck and congratulate him on his appointment. I also congratulate him and his Department on the recent announcement of £144,000 of funding to tackle anti-Semitism on our university campuses, which is unfortunately absolutely necessary.

When I spoke last year, I talked about my beliefs and religious place at that time. This year, I move the motion as a full member of the Jewish community, but when I responded to the debate last year, I was not quite there yet, although I was on the way. It is therefore a double pleasure to move the motion today.

Holocaust Memorial Day is well known to all of us in the Chamber, and hopefully to the broader country. It is held annually on 27 January and was established by the Holocaust Educational Trust. All Members are indebted to Karen Pollock, who is in the Gallery today, and to all her team for the fantastic work they do.

Holocaust Memorial Day commemorates the date on which allied forces liberated Auschwitz-Birkenau and was established by the Bill introduced by former Member Andrew Dismore, following his visit to Auschwitz-Birkenau in 1999. The first Holocaust Memorial Day was commemorated on 27 January 2001.

Last year's theme was how life goes on, and this year's theme is the power of words, which is a reminder that the holocaust started not with gas chambers, round ups and cattle trucks but with hate-filled words. That is perhaps of great resonance today, as we consider the continuing blight of anti-Semitism, prejudice and intolerance in our society and, sadly, in our politics. I am proud that as a Government, with strong cross-party support, we adopted the international definition of anti-Semitism, which UK police forces are sadly having to use more than they should.

Holocaust education became a part of the English national curriculum for key stage 3 in 1991 and has remained ever since—I think there is ongoing support for holocaust education to remain in the curriculum. The holocaust is the only historical event that has remained a compulsory part of the national curriculum.

The holocaust is a part of history that is taught across the curriculum—it is taught in English, religious studies and citizenship—and I pay tribute to the excellent work of the Holocaust Educational Trust in delivering that curriculum across the UK. Although there are no formal requirements for holocaust education in Wales, Northern Ireland and Scotland, it is of course regularly taught.

When I was a history teacher, I used to be responsible for teaching the holocaust as part of the curriculum in my school and, as I commented last year from the Dispatch Box, it was always very difficult to deliver, not least because of the content. The enormity of this event is very difficult to convey to young people. It is difficult to explain to young people that within living memory and within the lifetime of people here today—some of whom experienced it, and some of whom may even have participated in it—whole communities were wiped out across Europe. Communities that had been there for centuries and that were integral parts of the history of those European states, and of Europe itself, no longer exist.

One way in which the scale can be seen—I recommend a visit—is at the Czech Memorial Scrolls Museum at the Westminster synagogue, where there are 1,564 Torah scrolls that come from communities that no longer exist, wiped off the face of Europe by the holocaust. Whatever we try to deliver in schools, powerful though it may be, nothing compares to visiting Auschwitz-Birkenau or one of the other camps, where the industrial scale of this inhumanity can be fully understood. Many Members here, along with many students across the country, have benefited from the programme run through the Holocaust Educational Trust. I encourage Members who have not already done so to take part in the programme if they have the opportunity.

Nothing can compare to the testimony of survivors, and those of us who attended the reception in Speaker's House a few days ago heard some of those testimonies and saw the sadly dwindling numbers of survivors. As every year passes, fewer and fewer survivors remain. Last year, I told the story of Zigi Shipper, and I ended on his comments. After going back to Auschwitz after a very long time, having been convinced by his family, he stood beneath the world-renowned "Arbeit macht frei" sign, and he said that he felt nothing. It meant nothing to him because he had survived. He had built his life and had been victorious over those who had tried to destroy him. That was very powerful testimony.

This year, I want to tell the story of another survivor, Miriam Friedman, whom I had the privilege of meeting here at a Board of Deputies Mitzvah Day. It is important to tell these stories, because they can do more justice to this appalling period of history than anything I can think of to say. Miriam was born in Bratislava in 1934 and she told me she remembered a happy family life in an Orthodox religious family. They had a textile business. Her mother was a housewife and also highly educated. Miriam was one of six children. She attended a Jewish kindergarten in a community where Jews were very

much a part of the fabric of that society. She lived an active Jewish life. Of course all that changed with the German invasion of Czechoslovakia in 1939, where Slovak fascists copied the anti-Semitic policies of Nazis.

When that war broke out, Miriam and her family were forced to move. They lived in several different apartments and eventually moved town. When the decree came for all Jews to meet at the railway station, a family friend who was part of the Slovak police saved her. This is the story; it was all by chance and circumstance that they were lucky enough to know this particular person. A Jewish doctor proclaimed that the family had typhus and could not go on the train because they were infectious. So they were lucky on that occasion, but a short time later they were not so lucky. A loudspeaker announced that all Jews had to adhere to a curfew and be off the streets by 6 pm. Her father, sadly, was unable to comply with that and they never saw him again.

The remainder of Miriam's family were eventually saved by two other families who agreed to hide them in a basement in a large block of flats. They were there until the end of the war. She told me the story of a day when the guards had heard a rumour that there were Jews living in that building and had come to search the apartment block. She told me that their lives had depended on the kindness of another neighbour in the block, who knew these particular Germans were coming and managed to get them so drunk that they were convinced they did not need to search this particular area of the building. She said that hiding and hearing that noise, her and her family contemplated suicide at that time. I hate to use the word "lucky", because this was not a lucky existence, but in some respects she was lucky to have survived, because of circumstance. Sadly, Miriam later found out that the Nazis had murdered her father, brother and sister. She moved to the UK and now lives in London, and has shared her story and her testimony through the Holocaust Educational Trust and others.

Miriam's story really fits in with this year's theme of the power of words. Words really do matter, as we know in this place—I am talking not just about the words of those who spout hate, but the words of those whose job it is to call that hate out. I think we would all agree that silence is no excuse, nor are weasel words or bland statements, when words of intolerance and racism, particularly in the form of anti-Semitism, are ever spoken. Miriam's story shows plainly what happens when a people are demonised and scapegoated and when conspiracy theories are left to run.

It is very sad that in Britain in 2017-18 anti-Semitism and racism at all should be a problem, but new figures revealed by the Community Security Trust last July showed that anti-Semitic incidents against the Jewish community in the UK have reached unprecedented levels—the highest levels of hate crime against Jews since records began 33 years ago. Let us just think about that for a moment; we are talking about the highest recorded number of incidents against Jewish people since records began more than three decades ago. That is why I welcome the announcement of £144,000 to help fight anti-Semitism on our campuses, and it is why this day is so important and why this debate in Parliament every year is so important.

In September, a study by the CST and the Institute for Jewish Policy Research found that stronger anti-Israel attitudes are linked to stronger anti-Semitic attitudes



[Andrew Percy]

among Britons. In last year's debate, I said from the Dispatch Box that I was becoming increasingly concerned about what I call the Israelification of anti-Semitism. That is not to say that people should not be allowed legitimately to call out the Government of Israel, or any other Government, but criticism of the Israeli Government is being used by some for more sinister purposes. That Israelification needs to be called out.

I have seen Israelification for myself. As I mentioned after the general election in the Westminster Hall debate on abuse and intimidation of candidates, during the campaign, in June last year, I was approached and screamed at for being "Israeli scum" and "Zionist scum". I reported the individuals to the police, but they were unable to find them. Those same individuals found me again in a shopping centre in Doncaster on the Thursday before Christmas and again subjected me to a torrent of abuse. They ended up questioning why a Jew would want to be ordering food in KFC, and followed me to the exit asking me why I do not tell people that I am Jewish before elections. It started with anti-Israeli sentiment and descended very quickly into some significant anti-Semitic incidents. I must say that South Yorkshire police and Humberside police have been absolutely fantastic. We need to call out that kind of behaviour wherever it happens, which was why I did so from the Dispatch Box last year.

We have to be honest that we have a new threat: the new smear that anti-Semitism is being used as a cover for other things or as part of a witch hunt. I do not wish to step into party politics too much, but it is important that in debates like this we call out campaigns such as Labour Against the Witchhunt, which has called for

"the immediate lifting of all suspensions and expulsions from Labour Party membership which were...connected to the 'anti-Semitism' smear campaign."

This is a minority—the vast majority of Labour party members and people in politics throughout the country have no truck with any of this—but let us remember what some of those suspensions have been for. They have been for people who have claimed that Judaism is not a religion but a crime syndicate; people who have called holocaust education in schools a holocaust indoctrination programme; people who have questioned what good Jews have done; and people who have claimed that the Jews financed the slave trade and who attacked Holocaust Memorial Day—the very day we are debating and respecting today. We have to guard against those who seek to spread this new smear against anti-Semitism, in the strongest way we can.

The theme of this year's Holocaust Memorial Day is the power of words, and words really do matter, which is why, regardless of which side of politics we are on, we must all ensure that we and our leaders call out this sort of hatred whenever and wherever it exists. It is a problem not only on the left of politics but on the right. We saw it in Charlottesville, where people on the right marched in Nazi-esque torch-lit parades. It was alleged that some of them were chanting "Jews will not replace us." So this is a problem on the left and the right and leaders most call it out wherever it happens.

I am conscious, Madam Deputy Speaker, of your clear instruction at the start of the debate that the mover of the motion should not take more than 15 minutes, so I

shall bring my remarks to a close. We have a problem with anti-Semitism in this country at the moment, and we know it, which is why Holocaust Memorial Day is so important. Nevertheless, we should never forget that in many ways we are lucky that the lives of most Jewish people in this country are safe, and they can take part in their daily activities as full members of the community. When I was vice-chair of the all-party group against anti-Semitism, we saw a very different experience just across the channel when we attended a school in Brussels that was guarded by a Belgian military tank and armed guards. I asked the young people there whether they would ever go out wearing their kippah, and they said no.

There was recently a very sad story from France that did not get a great deal of coverage here, but I think it demonstrates why, more than ever, Holocaust Memorial Day is important. It is the story of a French Jewish teenage girl who was violently assaulted in a heinous anti-Semitic attack. She was wearing a Jewish school uniform when she was set upon in a Paris suburb and slashed across the face. She was left bleeding, shocked and very, very injured. This is one of a number of incidents that have happened. I ask Members to think: this was a 15-year-old girl who was slashed across the face for no other reason than that she happened to be Jewish.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): I thank the hon. Gentleman for giving way, for raising such an important issue and for speaking so powerfully about this issue. Does the case that he has just highlighted not make the role of the Community Security Trust even more important this year and in the years to come, and should we not be throwing our weight behind it and urging everyone else to do so too?

**Andrew Percy:** The hon. Lady knows an awful lot about anti-Semitism, and I could not agree more with what she said about the role of the CST.

I will end there on that example. We have heard Miriam's story and the story of a 15-year-old girl, living now, here in modern Europe, who was slashed across the face for no other reason than that she was Jewish. That surely, surely proves to everybody why the Holocaust is such an important element of our curriculum and why this day, and remembering it and having this debate every year, is so important to ensure that this sort of intolerance is consigned to where it should be: the dustbin of history.

3.16 pm

**Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): I congratulate the hon. Member for Brigg and Goole (Andrew Percy) on securing this important debate and on his powerful and inspiring speech. I, too, was privileged to attend Tuesday's reception in the Speaker's apartments to mark Holocaust Memorial Day, which was organised by the Holocaust Educational Trust.

To be in the presence of Holocaust survivors, and to speak to such remarkable people and hear their testimonies, is deeply moving. It must intensify our determination to challenge anti-Semitism, which was described by the late Robert Wistrich as "the longest hatred". Now, more than 70 years later, the scourge of anti-Semitism still stains our society. Anti-Semitism is not confined to

one strand of politics—it is on the right and on the left. It is shocking that anti-Semitism stains the Labour party, too. Much speedier and stronger action must be taken by the party itself to challenge this unacceptable phenomenon. The claims of some members that allegations of anti-Semitism within the Labour party should be dismissed as “slurs against the leadership” are appalling and should be met with the contempt that they deserve.

We owe a debt of gratitude to the Community Security Trust, which so accurately monitors anti-Semitism and anti-Semitic discourse. Its latest report shows a shocking 30% recorded rise in anti-Semitic incidents in the UK for the first six months of 2017, with 767 such incidents reported.

The rise of anti-Semitic hate crime on our streets, meeting little or no challenge from the authorities, is a matter of growing concern. For example, it was reported that, on 11 December 2017, Tahra Ahmed, a volunteer running an aid network helping the survivors of the Grenfell Tower tragedy, claimed that the 71 people who perished were

“burned in a Jewish sacrifice.”

Mark Gardiner of CST rightly condemned this as

“a new depth of grotesque anti-Semitic racism.”

On 8 December 2017, at the American embassy protests against President Trump’s announcement recognising Jerusalem as the capital of Israel, demonstrators chanted:

“Khaybar Khaybar, iya Yahud, Jaish Mohammed, sa Yahud”.

Translated, that means, “Remember Khaybar, the army of Mohammed is returning.” This refers to the battle of Khaybar in 628, where Jews were massacred and expelled from the town in what is now Saudi Arabia. Swastikas were also displayed at that demonstration. The event was organised by groups including the Palestine Solidarity Campaign, the Stop the War Coalition and the friends of al-Quds. No action has been taken against this anti-Semitic hate speech on our streets. Why?

Holocaust Memorial Day is a time for reflection. In the UK, it began in this place when Andrew Dismore, the then Member of Parliament for Hendon, received cross-party backing for his private Member’s Bill. That resulted in the first UK Holocaust Memorial Day in January 2001.

**Bob Stewart** (Beckenham) (Con): I thank the hon. Lady for allowing me to intervene. May I just say that, for me, Holocaust Memorial Day also includes other genocides such as the one I witnessed in Bosnia, where I buried 104 women and children in a mass grave, the Rohingya, and also Cambodia. I think all of us in this Chamber would recognise that the scourge of holocaust still remains with us.

**Mrs Ellman:** I thank the hon. Gentleman for his comments. I draw his attention to the official statement about what Holocaust Memorial Day constitutes. It states very clearly that in addition to recognising the holocaust, it recognises other atrocities that have taken place since that time, including in Darfur and Cambodia. That has always been written into the official remit of Holocaust Memorial Day.

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): Further to that intervention, may I also say to the hon. Lady that at this time we ought to be celebrating and

commemorating the Christians who gave up their lives to save Jewish families during the second world war? The brother of my grandfather, Jan Kawczynski, hid Jewish families on his estate. When the Germans found out, they shot his daughter and his wife, and then him. I think that this is a very important time to remember those Christians who sacrificed their lives to protect Jewish neighbours.

**Mrs Ellman:** The hon. Gentleman makes an extremely important point. Indeed, the people he named and others who contributed similar actions are recognised under a special category of the “righteous gentiles”. They are recognised in the Yad Vashem memorial in Jerusalem and also recognised in special British honours. They therefore have a very special place in our history and our minds.

Today we must reflect on the horrors of the past and the disturbing trends of the present. Together, as we commemorate Holocaust Memorial Day 2018, we must ensure that action is taken to tackle the longest hatred.

3.22 pm

**Theresa Villiers** (Chipping Barnet) (Con): It is an honour to take part in the debate on such a serious subject. Later this month, I shall be attending the annual commemoration for Holocaust Memorial Day hosted by Barnet Council in the quadrangle of Middlesex University, as I have been doing for many years now. This is a really important occasion for us in Barnet because we take huge pride in being a diverse, inclusive borough, made up of people from many different faiths, cultures and ethnicities. We are also immensely proud to be the home of one of the largest Jewish populations between New York and Tel Aviv.

The Jewish community plays a hugely valuable role in the borough of Barnet—in business, in public services, in schools, in civic life and in so many other ways. We are incredibly lucky in north London to be a place where many Jewish people have chosen to make their home. They are a community who have profoundly enriched our culture and quality of life, and I was very much aware of that in my years growing up in St John’s Wood. So for me, one of the reasons why I find the stories of those who perished during the holocaust to be so distressing is that it feels very close to home—so disturbing; so personal—to know that this horror was inflicted on the parents, grandparents and wider family of people who are such a core part of my network of friends, family and colleagues, without whom I would find life to be pretty bleak. Of course, I also have the privilege of representing a number of constituents who are holocaust survivors. I pay particular tribute to Mala Tribich for all that she does with the Holocaust Educational Trust to educate the new generation about what happened.

In my view, the holocaust was the single greatest act of evil in human history. I know that historians debate that. The numbers dying at the hands of Stalin were as great, and atrocities such as the holodomor in Ukraine were certainly acts of the most unspeakable cruelty, but the attempt by the Nazi regime to wipe out an entire ethnic group and harness 20th-century technology to deliver murder on an industrial scale seems to me to be without parallel in terms of the sheer stomach-turning depravity and evil of what occurred.

[Theresa Villiers]

Last February, I had the privilege of visiting Yad Vashem museum in Jerusalem on a trip hosted by Conservative Friends of Israel. It was my second chance to see that exhibition. I would encourage every hon. Member in the Chamber to visit if they have the opportunity. Towards the very end of a truly emotionally draining experience, as the account of those terrible events unfolds before you, you reach the exhibit on the righteous among nations—the people who risked their lives to save Jewish people from the terrible fate that so many of them suffered at the hands of the Nazis. They include people such as Oscar and Emilie Schindler, whose story was captured so powerfully in Stephen Spielberg's film; Nicholas Winton, who helped nearly 700 children to escape from persecution in what was then Czechoslovakia and never sought any recognition for his efforts; the people in Denmark who smuggled their Jewish population to safety in Sweden; and the population of Albania who defied the orders of the Nazis and refused to hand over lists of Jewish Albanians and gave sanctuary to Jews fleeing Germany. The remarkable assistance given by Albania was grounded in a concept called *besa*—a code of honour which literally means “to keep the promise”. One who acts according to *besa* is someone who keeps their word—someone to whom one can trust one's life and the lives of one's family.

While we are considering the most extreme example of the evil of which humanity is capable, this dark period of history has another side to it. In relation to certain individuals, it demonstrates great acts of courage and compassion. One of the many reasons why we should never, ever forget the events we are reflecting on today is to ensure that if the threat of this kind of atrocity were ever to return to this continent, we would not be found wanting—we would be among those brave enough to speak out and do everything we could to prevent it happening again. Today, once again, we all commit to oppose anti-Semitism and racism in all its forms and wherever it occurs.

3.28 pm

**Joan Ryan** (Enfield North) (Lab): It is an honour to follow the right hon. Member for Chipping Barnet (Theresa Villiers). We have visited the synagogue in Southgate together. I know how strongly she feels about these matters, as I think everybody does now.

Holocaust Memorial Day marks the darkest hour in human history. We remember and mourn the 6 million Jews murdered, as well as the Roma, disabled and LGBT victims of Nazi atrocities. We have a moral responsibility to listen to the stories of holocaust survivors. They speak not only for themselves but for those who did not survive to tell their story.

Earlier this year, I heard one such testimony from Edgar Guest, who spoke to pupils at Oasis Academy, a school in my constituency. Edgar was born in Budapest. In 1941, when Hungary joined the war, he lost his citizenship and was classified as an “alien Jew”. After Germany invaded, many of Edgar's relatives were deported to Auschwitz and he was sent to the Budapest ghetto. He was marched halfway towards the railway station before being told to turn around and return to the ghetto. There he was forced to sleep in a room of 30, in a ghetto of 70,000 Jews, where he survived by earning

an extra cup of soup a day by clearing away the dead bodies in the streets. His story is one small remembrance of the barbarity of the Nazi regime.

Edgar lives in Britain today, and he is still sharing his story at the age of 87. I would like to pay tribute to his courage and strength. The impact he has on school students is something to behold. We must give serious thought to how we carry forward such a message when we no longer have survivors with us to provide such powerful testimony.

The holocaust reminds us of where racism and anti-Semitism can lead. We must remember that the holocaust was the end of a process of state-sponsored racism that began on the streets of Munich and Berlin. The twisted road to Auschwitz began with a political party whose racist rhetoric won an election in a democratic society. There must be no complacency in the fight against anti-Semitism. We must tackle racism at its roots, weeding it out wherever we find it.

I applaud the Government for their adoption of the International Holocaust Remembrance Alliance definition of anti-Semitism. It gives us clarity in this fight, and it is unequivocal in stating that holocaust denial, comparisons of Israel to Nazi Germany and allegations of Jewish conspiracies are modern forms of this ancient hatred. I would also like to voice my support for the proscription of far-right fascist groups.

Despite the horrors of the holocaust, anti-Semitism has not disappeared. We have even seen its rise in British society recently, including, I am ashamed to say, in my own party. We must condemn unequivocally and combat relentlessly this despicable trend. We must remember that the fight against racism is also one of education. We must fight for our anti-racist values and ensure we instil a respect for tolerance, equality and human rights in future generations. I would like to thank Karen Pollock and the Holocaust Educational Trust for their dedication to this task, and in particular for facilitating talks by survivors, such as that of Edgar Guest in Enfield. We must hear the words of survivors; we must remember the holocaust's victims; and we must commit ourselves to the fight against racism and anti-Semitism wherever it rears its ugly head.

3.32 pm

**Bob Blackman** (Harrow East) (Con): It is an honour to follow the right hon. Member for Enfield North (Joan Ryan), and I commend her for her bravery in speaking on those particular subjects. I congratulate my hon. Friend the Member for Brigg and Goole (Andrew Percy) on introducing the debate, and my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) on her impassioned speech.

Madam Deputy Speaker, may we place on the record our thanks to Mr Speaker for allowing the Holocaust Educational Trust to host its reception in Speaker's House on Tuesday? That enabled us to honour the memory of the victims of the holocaust, but also to celebrate the survivors. Most importantly of all, in my view, it allowed us to congratulate the young ambassadors of the Holocaust Educational Trust, who are now spreading the word among young people about the horrors of the holocaust.

When I was at school—I was at school with many Jewish children from the area—no one ever spoke about the holocaust: it was forgotten about. When Kitty



Hart-Moxon visited this House, following her 90th birthday, I had the honour of having tea with her, and she described her journey of coming to this country and finding that the Jewish population of this country did not wish to talk about the holocaust. However, she was brave enough to speak out about its horrors and to make sure that young people understood what had happened. It is very hard to grasp the concept of human beings attempting to extinguish other human beings on an industrial scale. The fact that 6 million people were murdered systematically is very hard to grasp, but each individual is an individual case.

**Bob Stewart:** Just before she died, my mother told me that she went to Belsen as a Special Operations Executive operative in April 1945. I asked why she had never ever told me that before. She said, “Because I was ashamed.” I said, “Why were you ashamed?” She said, “Because this happened when my generation was living, and I felt ashamed that it happened. We were responsible because we did nothing about it in England.”

**Bob Blackman:** I thank my hon. Friend for that intervention. It allows me to join others in congratulating Karen Pollock and her team on their wonderful work. I will never forget my visit to Auschwitz-Birkenau, and the young people who started out brightly at the beginning of the day, but who, as the horrors unfolded, became quieter and quieter. We ended the day on those terrible railway lines, with candles, and that place brings home to everyone what can happen if people stand idly by. We knew, and were instructed, about the systematic approach—this was not a few people who were mad or crazy; it was a systematic approach that involved hundreds, if not thousands, of people who co-operated with the attempt to eliminate the Jewish population.

We should also remember that there is not just Auschwitz-Birkenau but a whole series of other camps, and we should ensure that everyone is aware of the various different death camps that were set up by the Nazis to achieve their desperate aims.

**Daniel Kawczynski:** On that point, the BBC regularly refers to “Polish death camps”, but there was no such thing. These were concentration camps set up by the Germans in occupied Poland, and it is important to remember that.

**Bob Blackman:** I thank my hon. Friend for his intervention, and we must ensure that people are educated on that point.

I visited the original Yad Vashem museum and saw at first hand the work that was done. I have also visited the new museum that commemorates all the victims of the holocaust and describes it in some detail. The individual accounts of those who survived the holocaust, now recorded on film, are desperately important, and we must ensure that holocaust deniers, and individuals in society who seek to justify it in some way, are called out in the right way and with the appropriate testimony.

**Ruth Smeeth** *rose*—

**Bob Blackman:** I will not give way to the hon. Lady because I have given way twice already and I do not want to take up too much time.

I am glad that we will have our own holocaust museum alongside the Palace of Westminster, and I look forward to that being developed so that we can bring young people here to see the importance of that element of society. There are also actions that we can all take. I was proud to sponsor early-day motion 743 for Holocaust Memorial Day, and I believe that 55 right hon. and hon. Members have signed it so far. The Book of Commitment will be available for Members to sign each day next week between 2pm and 4pm close to the Members’ cloakroom, and I commend that to all Members.

We also have the challenge of combating anti-Semitism on university campuses. One current challenge is that many Jewish children go to Jewish schools and are not exposed to anti-Semitism until they get to university. In my view, we are not preparing our young people sufficiently for what they may face, and I am delighted that the Government are taking action to combat anti-Semitism on university campuses by sponsoring visits for sabbatical officers to go to Auschwitz-Birkenau and to see at first hand what can happen if matters get out of hand.

As we have said, the holocaust started with words and other forms of anti-Semitism, and expanded to what we have seen in the death camps. We must commend all those who speak out against anti-Semitism, from whichever political party. I was proud recently to share a platform with hon. Friends on the Opposition Benches at my local synagogue, Stanmore synagogue, for a question and answer session, during which I commended them for their bravery in standing up and calling out anti-Semitism in their own party. I congratulate them on that, but I am sorry they have to do it. If ever we face such challenges in my party, I know that we will take a very robust approach indeed to combating anti-Semitism.

It is an honour to have participated again in this debate; since my election, I have participated each year in this debate. I trust that we will ensure that nothing like the holocaust ever happens again—certainly not in our lifetimes—on this planet that we all inhabit.

3.40 pm

**Lyn Brown** (West Ham) (Lab): As we know, the Nazis created and peddled myths about Jewish people; they dehumanised them, representing them as an existential threat to ordinary German citizens. Their propaganda was massively and horrifically effective. Hate-filled words enabled their crimes. It is startling how many of the myths they created reflected the Nazis’ own sickening plans and twisted thinking. In March 1942, well after the campaigns of mass murder had begun, Hitler said that the so-called Jewish wire-pullers aimed to

“unite democracy and Bolshevism into... a conspiracy... to annihilate all of Europe”.

They peddled fear: democracy a threat from the west, Bolshevism a threat from the east, and Jewish people threatening Germany and Germans from within. Goebbels said:

“The Jew will not exterminate the peoples of Europe. Rather, he will be the victim of his own attack”.

This web of fiction was channelled into cruel and cynical propaganda, and it enabled the holocaust.

Ensuring that such fantasies would be believed by ordinary people was not easy. In 1937, teachers were instructed to

[Lyn Brown]

“plant the knowledge of the true danger of the Jew deep in the hearts of our youth from their childhood”—

done using children’s stories. One, “The Poisonous Mushroom”, told children that just as they should not assume they could tell the poisonous mushroom in the forest from the good ones, they could not assume that Jewish people were good and honest just because they seemed that way—truly heart-breaking.

The state-sponsored propaganda also had effect in the Nazis’ puppet states. In Estonia, many of the mass killings of the holocaust were perpetrated by local collaborators, with very little oversight by the Nazi German occupying force. In 1941, Belgian collaborators launched a pogrom in Antwerp, burning synagogues and targeting the chief rabbi. It was among the first of the events of the holocaust in Belgium. The yellow star law had not even been introduced. The wave of unrestrained violence that night was directly and immediately incited by a screening of the Nazi propaganda film, “The Eternal Jew”, one of the most evil works of propaganda ever produced. It shows the squalor and disease Jewish people were forced to live in but claimed it was something they chose. Brutal, dehumanising scenes of Jewish people crammed in the ghetto were interlaced with scenes of rats swarming from a sewer, while the voiceover says that the rats are

“just like the Jews among human beings...a race of parasites”.

The rhetoric has not gone away, in the UK or elsewhere. We have heard about the Nazi white supremacists marching through Charlottesville, their faces uncovered, some sporting machine guns, chanting, “Jews will not replace us”—a direct repetition of the Nazi lie. In an example from another continent, in October, following the debate last year in this place, the Myanmar embassy sent me a dossier, at the heart of which is a list of historical crimes attributed to the Rohingya Muslims as a group. It painted them as an existential threat to the Buddhist people of Rakhine, enemies manipulating the international community into sympathy with them. Where have we heard that before?

The language of extermination has power because the ground has been prepared. Nazis used teachers, newspapers, newsreels and the radio to do that; today, sowers of hate are equipped with the internet and social media. The propaganda of hate builds suspicion and prejudice until ordinary people believe a complete and utter lie. The history of the holocaust teaches us that if this kind of propaganda is allowed to breed and infect communities and even states, the lie—the evil myth—that those people create can be turned into murder on an industrial scale, the reality of a genocide, the holocaust: 6 million innocent men, women and children brutally and horrifically murdered.

3.45 pm

**Paul Masterton** (East Renfrewshire) (Con): East Renfrewshire is home to Scotland’s largest Jewish population. As their MP and as co-chair of the all-party parliamentary group on British Jews, I take my responsibility to that community very seriously.

Many Jewish people came to East Renfrewshire to flee the Nazis from the early 1930s onwards, and several holocaust survivors made the area their home, including

the much-missed Ernest Levy. Although the number of survivors still with us falls, their stories ring around classrooms to ensure that our children are aware of what can happen when hate is left uncontrolled. We must never forget. The power of survivors’ words has been recorded in interviews that anyone can access via the Gathering the Voices website, of which the words of my constituents Henry and Ingrid Wuga form part.

Sadly, when we think of the holocaust, it can become simply a number—the number of those killed by the Nazi party: 6 million Jews. However, we must resist the temptation to reduce the barbarity of the holocaust to just a number of deaths. The magnitude of these crimes is often lost in a number that we simply cannot comprehend. That is why the Holocaust Educational Trust’s “Lessons from Auschwitz” remains so important. I pay tribute to Karen Pollock, whose impact on the next generation’s understanding of the holocaust and anti-Semitism should not be underrated. On a personal level, it has been a true joy to speak and work with her since my election. Karen and her team are defenders of the truth.

Pupils from Williamwood High School, St Ninian’s and myriad other schools in East Renfrewshire have benefited from seeing the reality of what man can do. Next Thursday, I will be attending a holocaust memorial event at Barrhead High School organised by sixth-year pupil Kirsty Robson. Kirsty became one of HET’s holocaust ambassadors after visiting Auschwitz with the trust in 2016, and her event will feature two holocaust survivors, who will discuss their experiences in front of staff and pupils, enabling them to see the contemporary relevance of the holocaust. Young people such as Kirsty are remarkable and vital in ensuring that the memory and lessons of the holocaust live on and are not forgotten when there is no one left to tell their personal story.

Alongside physical structures such as Auschwitz and Birkenau, we have as this year’s theme the power of words—the idea that words can make a difference for both good and evil. We are all aware of Anne Frank’s work and the impact her diaries have had on millions of children, but the power of words is not limited to the smiling young face that appears on the copies of her diaries. In stark contrast to Anne Frank, this theme can apply to Adolf Hitler’s personal lawyer and governor-general of the central government of the occupied Polish territories, Hans Frank. His evil was shown in his words, and the power of words ultimately condemned him. It was his words that enabled Raphael Lemkin to show the systematic action that was taken to wipe the territory clear of Jews and other so-called undesirables. From Lemkin came the very best of words and ideas: the doctrine of genocide—an idea and a word that has fundamentally changed our world order since 1945.

History has shown that words dictate action, and we must continue to challenge the language and views not just of our opponents but our friends, because when we normalise hatred, it leads to a sense that terrible horrors are part of the normal.

One morning, Hans Frank gave a speech at the University in Lviv. He announced the killing of 100,000 individuals. In the afternoon, he went and played a game of chess with his deputy’s wife, and he lost. He played a second game of chess, and he lost. What agitated him was not the immense mass killing in his name, but his failure against a woman in two games of chess.

I will end with the words of Kirsty Robson. I asked her why she felt it was important for her to become an ambassador and to work with the Holocaust Educational Trust to educate her peers. She told me:

“I feel a sense of duty to continue sharing the lessons that can be learned from the Holocaust following my visit. The trust does incredible work and I am utterly proud to have been one of the minds that has been shaped by them. I am steadfast in my belief that we must learn from the mistakes and heartaches of our past, take note of the contemporary relevance of such events and ensure that the world we are shaping is one of acceptance and kindness, free of persecution and prejudice.”

3.49 pm

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): I join others in congratulating the hon. Member for Brigg and Goole (Andrew Percy) on securing this important debate. As he reminded us, the theme for Holocaust Memorial Day this year is the power of words. Like him, I will speak about what I think are the most powerful words in this context: the testimony of the survivors of the holocaust.

Like others, I have experienced hearing survivors speaking, in particular to children at schools they have come to speak at in my constituency in Liverpool and to those who have gone on the visit to Auschwitz arranged through the Holocaust Educational Trust, and also in the work I did between 2005 and 2010 at the National Holocaust Centre and Museum in Laxton, Nottinghamshire. Nothing can compare to the impact that the words of survivors have in shaping the mind and educating children about the horrors of what happened during the holocaust.

Holocaust Memorial Day has a vital twin importance: remembering the Nazi holocaust—so appallingly denied by some—but also dedicating ourselves to challenging modern-day anti-Semitism, racism, genocide and other mass atrocities. Rudi Oppenheimer was 11 years old and living outside Amsterdam when the Nazis invaded. He and members of his family ended up in Bergen-Belsen, but he survived, as did his brother and sister. His testimony of his experience of the holocaust has educated children around the world. When he was asked in a school why he thinks his testimony is so important, his answer was:

“Because we haven’t learned the lessons yet at all”.

All of us have heard the voices of Tutsi from Rwanda, Muslims from Bosnia and young Yazidi women. These are just three examples; tragically, I could cite many, many others. On Monday, I hosted an event in Speaker’s House organised by War Child focusing on mental health and psychosocial support for children in conflict areas. We heard incredibly powerful first-hand testimony from two fantastic young refugees: Enana, who is originally from Syria, and Oscar, who is originally from the Democratic Republic of the Congo. Their testimony about what their countries have been through, and what they personally have been through as refugees from conflict situations, was very powerful and reminds us why Holocaust Memorial Day has such huge contemporary relevance.

In Liverpool, Holocaust Memorial Day is marked annually. Tonight, the University of Liverpool Jewish Society is hosting an event with holocaust survivor Joanna Millan. Next week, the Lord Mayor of Liverpool will open the Fathers House holocaust exhibition in

Liverpool town hall. On memorial day itself, the Mayor of Liverpool will join faith leaders in a special service at the town hall to pay tribute to all those who lost their lives in the holocaust and genocides around the world.

Let me finish with another quotation from Rudi Oppenheimer, because this was the theme for last year’s Holocaust Memorial Day, about which the hon. Member for Brigg and Goole spoke: “Nobody should stand by”. Nobody should stand by when we see anti-Semitism or any form of persecution or bullying. As my hon. Friend the Member for West Ham (Lyn Brown) rightly reminded us, we should not stand by when we see the awful persecution of the Rohingya Muslims from Myanmar/Burma. We should not stand by when we see the appalling humanitarian crisis in Yemen. And we should not stand by when we see rape used as a weapon of war, as it is in so many places, including against the Rohingya and in South Sudan, the Democratic Republic of the Congo and elsewhere. Let us, on a cross-party basis, use the opportunity of today’s debate and Holocaust Memorial Day next week to say once again that we will not stand by. We will listen to the voices of the survivors—be they from the holocaust, be they from Syria, be they Yazidi women, or be they from the situations in Myanmar or Yemen—and that we will work together as colleagues to stop all forms of oppression and challenge all forms of racism and persecution wherever they rear their ugly head.

3.54 pm

**Dr Matthew Offord** (Hendon) (Con): I congratulate my hon. Friend the Member for Brigg and Goole (Andrew Percy) on securing the debate.

I remember attending the first Holocaust Memorial Day commemoration in Hendon back in 2001. It was held in a marquee in Hendon Park, on a site that has become a memorial garden. I think that that is a fitting tribute to the millions of people who were killed in the Shoah, particularly as so many relatives and friends of those who were murdered have made their homes in my constituency. I was delighted to see in the new year honours list three names of constituents who had had direct experience of the Nazi atrocities, and I think it appropriate to place on the record their names and experiences.

Harry Olmer was awarded an OBE. He is a Mill Hill resident who was born in Sosnowiec, near the German border in south-west Poland. In the spring of 1940, his family were sent to another small village, as life in his home town was becoming very difficult. In 1942, Jewish residents were expelled from their homes, and after a selection, Harry found himself in Plasnow concentration camp, near Krakow, then a munitions factory. He was then moved to Buchenwald, and then to another munitions factory in Schlieben. As the war came to an end, he found himself in Theresienstadt concentration camp, whence he was finally liberated by the Red Army on 8 May 1945. Two months later, he came to the UK, and worked as a dental technician and studied at evening classes before being accepted at Glasgow University to study dentistry. He later served in the British Army as a dentist.

A Hendon resident, Bernd Koschland, was awarded an OBE for services to holocaust education. I have known Bernd for many years, and he is well known to many people who attend the holocaust memorial service



[Dr Matthew Offord]

in Hendon each year. He came to the United Kingdom with the Kindertransport in 1939, after his father was deported to Dachau on Kristallnacht. On his father's release, Bernd's parents made the difficult, but sensible, decision to send him to England on the Kindertransport. In March 1939, he made the journey to England, and was later joined by his sister. In addition to his holocaust education work, Bernd was the chairman of the Barnet Multi-Faith Forum for 14 years, and I had the pleasure of working alongside him.

I want to mention the name of one other person, my Edgware constituent Lieutenant Colonel Mordaunt Cohen, who is the most senior Jewish officer who served in the British Army during the second world war and who received an MBE for his services to second world war education. Mordaunt joined the British Army after hearing about the horrors of Nazi Germany from children who had arrived on the Kindertransport. He fought in Burma from 1942 to 1945, which was in itself a horrific experience. After the war, he became chairman of the Association of Jewish Ex-Servicemen and Women. He celebrated his 100th birthday last year, and it was a huge pleasure and privilege for me to visit him in his home on that occasion.

To all three constituents, I say "Mazel tov, and thank you for all that you have achieved throughout your lives, particularly here in the United Kingdom."

Last year, I spoke about a constituent of mine called Renee Salt. Since then I have visited Renee on several occasions to talk about certain things and to eat much of her cake, which she bakes at home. During one of our discussions, we spoke about another Hendon constituent, who died in 2008 and whom I had known. That was the Rev. Leslie Hardman. His link with Renee was that she was a captive in Bergen-Belsen, and he was one of the first British Army chaplains who liberated the camp. In his book "The Survivors", he described how his colonel told him to go to the camp because "you'll find a lot of your people."

Leslie also wrote that one of his first acts was to officiate over the mass burial of 5,000 bodies, a scene that he described as "bodies interlocked, coagulated, disintegrated".

I have a lot more to say, but time will not allow me to do so. Let me leave the House with a quotation from someone relatively unknown, Salmen Gradowski. On 6 September 1944, he wrote:

"May the world at least behold a drop, a fraction of this tragic world in which we lived."

We can consider those words from the perspective of history, but knowing that they were found after liberation in a flask buried in the grounds of the Auschwitz-Birkenau crematorium makes them more powerful. I think that they illustrate this year's theme of Holocaust Memorial Day, the power of words.

Several hon. Members *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I am afraid that I must reduce the speaking time limit to four minutes.

3.58 pm

**Stephen Lloyd (Eastbourne) (LD):** I thank the hon. Member for Brigg and Goole (Andrew Percy) for sponsoring the debate. It is a pleasure for me to co-sponsor it. This is the fifth or sixth time I have co-sponsored a debate on this important day. When I was first a Member of Parliament, I was proud to do so, and now that I am back in the House, I am even more delighted.

Let me also congratulate the indomitable Karen Pollock, who is in the public Gallery and whom I have known for many years. Without her, I do not believe that this day, and the impact and reach that it has across the country, would be as strong. She really does deserve an enormous amount of credit.

The theme of Holocaust Memorial Day this year is the power of words. I was reminded of that when I read some words only earlier this morning from Anne Frank, that remarkable young girl who wrote so beautifully in Amsterdam all those years ago. She wrote:

"When I write I can shake off all my cares; my sorrow disappears; my spirits are revived."

That is such a powerful set of words for such a dreadful time by a remarkable young woman.

That comment and the power of words brings me to my own constituent. Eastbourne does not have a large Jewish community; in fact, it is fairly minuscule—probably only 40 or 50. Like everyone else in the Chamber and many across the country, however, I am here because we know that what happened was so wicked—as was what has happened so many times since in the different genocides from Rwanda to Cambodia and the rest—that if we do not emphasise and talk about this day, there is the constant danger that it will happen again. Indeed, it is depressing that when I last spoke on this day in the House the Yazidis were perfectly safe in Iraq and Syria. Two years later, they have almost been destroyed as a people. I therefore profoundly believe that the commemoration and remembrance on this day must never stop.

I have an extraordinary constituent in the small Jewish community in Eastbourne called Dorit Oliver-Wolff. She is a survivor, and she recently wrote an autobiography called "From Yellow Star to Pop Star." She was born in Yugoslavia. When the Nazis invaded, she and her mother moved to Budapest when she was only five or six years old, and they somehow survived through the four or five years of the war from hand to mouth, travelling from place to place, creating new identities. It was when she was in Budapest that she first realised she was Jewish: she was only five years old and a woman spat at her in the street and called her "A stinking Jew." Can anyone imagine anything more utterly incomprehensible than that to a five-year-old?

Dorit survived and flourished, and moved to Eastbourne 10 or 15 years ago. She is a remarkable woman. I highlight her story because in many ways she emphasises one fundamental strength irrespective of the wickedness of Governments and people: the unfailing goodness and strength of individuals. That was true in the war when so many individuals saved so many Jewish people from Poland to Bulgaria to Albania. They are the reason why I profoundly believe this day is worth remembering and will continually improve human nature.

4.3 pm

**Eddie Hughes** (Walsall North) (Con): I rise very briefly to congratulate the ambassador programme and particularly one of my constituents who is part of it. Although we are talking about the power of words, it is often the person delivering those words who makes them more powerful, so it was fantastic to attend the event at Speaker's House where we heard testimony from survivors, including a 94-year-old lady who said she would pass on the baton to the young ambassadors in that room, and rightly so at 94; it is about time somebody else took that strain.

Joe Collins is a constituent of mine. He first came to my attention because he is an active Conservative campaigner, but, more importantly, Joe is all the things that I am not: he got a very good set of A-level results and is going to York University, and he is young, bright and charismatic. If he is giving the message to young people, they are much more likely to listen.

Joe attended the lessons from Auschwitz programme and has subsequently become one of the young ambassadors. He has arranged events at his school; he is arranging a marathon; and he fundraises all sorts of things to publicise this work. He brought Susi Bechhofer to Walsall Academy to speak to the students there. Her story is an interesting one. She was brought over on the Kindertransport when she was three years old to live in Cardiff. My understanding is that the people who acted as foster parents were supposed to undertake not to convert, or attempt to convert, the people they were fostering. Unfortunately, in this case, the foster father was a Baptist reverend and he had the children baptised, changed their names and brought them up as Baptists.

Susi became Grace Mann, and it was not until she was at school, preparing to take an English literature exam, that she discovered that that was not her original name. She was queueing up in alphabetical order with other children in the M section when the teacher came over to her and said, "You are in the wrong place. You should be with the Bs." She had a vague recollection of being Susi Bechhofer, and spent the rest of the exam thinking about her new identity.

As Susi discovered more about her original identity, she decided that, having been raised as a Baptist, she would stick with the religion that she had grown up with, but that she would find out more about her other one. Part of the point of her story is that it is not just those who were killed or who suffered torture in the camps who were the victims of this dreadful abuse. Let us remember that 6 million people—two thirds of the European Jewish population at that time—were wiped out, but the ramifications went far wider. The ripples went on. I am grateful to Joe and to the ambassadors programme, and I am grateful that Susi took the time to visit Walsall Academy in my constituency and continues to share the message with young people.

4.6 pm

**Ian Paisley** (North Antrim) (DUP): I congratulate the hon. Member for Brigg and Goole (Andrew Percy) on bringing this matter to the House and speaking so well. I know that many Members will have appreciated the way in which he introduced the debate. I want to concentrate my comments on the Holocaust Educational Trust's Lessons from Auschwitz project and how that has impacted on Northern Ireland. The project was

delivered in Northern Ireland in March 2017, following the receipt of a grant of £160,000 from the Departments of Education and for Communities in Northern Ireland. This was the first time such a project had been delivered in Northern Ireland since 2008. I pay tribute to Karen Pollock for her lobbying work to ensure that every component part of the United Kingdom has access to the project.

We talk about the power of words, but actions also matter. For the past 10 years, various Departments and politicians in Northern Ireland had been saying that the issue of Auschwitz mattered, but when the time came for them to put their hand in their pocket and put departmental money on the table to make the project happen, it became clear that their words were simply lip service. I want to pay tribute to the two Ministers from the devolved Assembly whose actions made a difference: Mr Peter Weir from the Department of Education and Mr Paul Givan from the Department for Communities. They came together and ensured that money was put on the table to allow the project to take place in Northern Ireland. Other Departments, and the other Ministers who previously held those posts, will hope that they can come up to the same mark in the future, if the devolved Assembly continues in place.

Through the project, 166 students from 76 schools across Northern Ireland, as well as 27 teachers, were able to take part in a unique educational experience laid on by the Holocaust Educational Trust. The four-part course was open to two students from every school and college in Northern Ireland and incorporated a one-day visit to Auschwitz-Birkenau. On the visit, students first visited the town where the Nazi concentration and death camps were located and where, before the war, 58% of the population was Jewish. Students then visited Auschwitz to see the former camp's barracks and crematoriums and to witness the piles of belongings that were seized by the Nazis. Finally they spent time at the main killing centre in Birkenau, where the day concluded with candle lighting and a period of reflection to remember the 6 million Jews murdered in the holocaust and the other victims of Nazi persecution.

We say that the term "the power of words" is important, but when we get the chance to speak to those students, we realise that the power of silence is really incredible, as they could not form words due to the tears coursing down their cheeks as they wondered what could have been, after seeing at first hand man's hatred of man and how we must strive to ensure that such a thing never happens again. I congratulate all those who have taken part in this debate, and I hope that the power of words and actions will speak volumes for us all.

4.10 pm

**Alex Sobel** (Leeds North West) (Lab/Co-op): I thank the hon. Member for Brigg and Goole (Andrew Percy) for bringing the debate to the House. I also thank hon. Members for their contributions so far today. As we have heard, the theme for this year's Holocaust Memorial Day is the power of words, and it is important to remember the context in which Nazism arose after the treaty of Versailles and the 1929 crash. A murderous regime was able to take hold of Germany during terrible economic conditions, and it then drove its ideology through Europe and tried to undertake the genocide of my people—the Jewish people.

[Alex Sobel]

Last autumn, I met Martin Kapel, who lives in Headingley in my constituency, at a Woodcraft Folk event. He was talking to boys and girls who were the same age as him when he was expelled from Germany by the Nazis. My boys, who are also Woodcraft Folkers, were the age he was when he was taken from his family. The realisation hit me hard when I saw my own boys with Martin and I had to think of him enduring the grim reality of the loss of his family.

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): Does my hon. Friend agree that it is important that holocaust survivors such as Solly Irving are remembered, with their stories living on after they pass, so that we do not repeat the mistakes that have been made and instead create a better world for everyone?

**Alex Sobel:** That is one of the most important lessons of Holocaust Memorial Day and of our memories of the holocaust.

Many people's only real insight into what the camps or the ghettos were like is through film. I have watched many of these films, including "Jakob the Liar", "Schindler's List" and "Sophie's Choice", but the most poignant for me is "Life Is Beautiful", directed by the Italian comedian Roberto Benigni. The first half of the film is a romantic comedy about how Benigni's character, a Jewish bookkeeper, falls in love with and marries an Italian woman in the 1930s. They then have a son, and Benigni's character and his son get sent to a concentration camp. To protect his son, he pretends that the camp is a game and that the prize is winning a tank. I am unsure whether my children are quite ready to watch the film, but I would use it to introduce to them what the horror of the holocaust means, because it is the most human and poignant telling of the holocaust that I have seen.

The holocaust has deeply affected my family. My parents were born in 1946, and I remember sitting in my great-aunt's kitchen in Tel Aviv as a young child, seeing the numbers tattooed on her arm and asking my father, "Why?" She was in the camps. She did not have her own children or grandchildren. I had no aunts or uncles or cousins to play with, because the Nazis experimented on her and she could not have children. This hollow shell cast a dark spectre over my family—all the relatives I never met or who never survived, and the children they never had.

That is my living memory of what happened, and it is seared into me when I make my own political judgments or when I make decisions about the genocide happening now to the Rohingya or the Yazidis, or elsewhere around the world. It also happens when I think about decisions more locally. We sit in a place of tolerance and pluralism. We call those on the other side of the House "hon. Members", and they are our opponents, not our enemies. We should be grateful for our democracy and for how this place operates. We need that same political culture everywhere: in our parties, on the streets, in our schools, and in our workplaces.

Every day, I try to work with that memory of my family and the dark spectre of the holocaust. I try to take that into all my experiences and all my dealings with people. I try to be tolerant towards them, but when intolerance comes and they have a message of hate, I try

to face it down and stand up to it by saying, "I do not accept what you have to say. You are wrong." I first try to educate, but then I try to use the power of the state and the power we have to ensure that those people do not come forward. We sit beneath the plaque to Jo Cox and remember that she was struck down by these same people on the far right. It is our duty here in this place, and the duty of everyone in this country, to stand up for tolerance and pluralism and to act against intolerance and extremism.

4.15 pm

**Christine Jardine** (Edinburgh West) (LD): I thank the hon. Member for Brigg and Goole (Andrew Percy) for securing this debate and congratulate everyone who has taken part on their powerful and moving speeches. It is an honour to take part in this debate in remembrance of an event that, in its own way, challenges the power of words adequately to express the horror and sorrow of the holocaust.

Three years ago, I visited the Yad Vashem memorial in Israel. As I was taken around that remarkable monument, the experience was at times emotional, as well as inspiring and thought-provoking throughout. It is a dark, oppressive space—a tunnel in a hillside—and as we travelled through it, guided as we were by a holocaust survivor, the personal testimonies we heard and the things we saw represented to me one of the bleakest periods in modern history—indeed, human history.

When our tour focused on the concentration camps, my mind was flooded with thoughts of the survivors I have been privileged to meet as we heard the testimonies of the suffering. I also thought about the young people I know who have visited what remains of the concentration camps across Europe, and about their reactions.

My daughter, who was born more than half a century after the war ended, visited because she felt she had to but, unlike other places of historical importance she has visited, it is something she rarely talks about. Like many, we took her as a child to Anne Frank's house in Amsterdam, and she was fascinated. When we came home, she fell in love with the words of that youngster who lived her life hidden because it was the only life she was allowed. Hers were informative, moving words.

When my daughter has visited other memorials, she has talked about them, but not when she came home from visiting Theresienstadt, which represented something more. She faced up to the fact that it was all real; that this was where so many stories, like that of the little girl living in a loft whose powerful words she had fallen in love with, had ended; and that if that horror were ever to return, many of the people she loved would meet the same fate. Perhaps it was a similar feeling that moved Andrew Dismore on his visit to Auschwitz-Birkenau, and we should thank that visit for enabling us to dedicate a day to holocaust remembrance, but how do we adequately remember an event when its sheer horror challenges everything we want to believe about humanity and ourselves? How?

Perhaps Yad Vashem points the way. It is a tunnel in a hillside through which visitors proceed. In near darkness, they hear and see the emotionally numbing truth and heartbreak of the holocaust, but then, like all tunnels, the light at the end begins to grow until they emerge into the sunlight—it is a completely apt and quite deliberate metaphor.



In remembering the holocaust, we should take that metaphor to our hearts and remember that, unlike the many millions who hid in darkness or died in the bleakest of circumstances, and unlike the many victims of war and genocide in the past and in the current day—like those in Srebrenica and the Rohingya—we live in the sunlight. We should cherish that, and we should think of them every day that we enjoy it.

4.19 pm

**Liz McInnes** (Heywood and Middleton) (Lab): It is an honour to speak in this debate and to follow the hon. Member for Edinburgh West (Christine Jardine) and my hon. Friend the Member for Leeds North West (Alex Sobel), who spoke so movingly. I do not think anybody in this House can fail to have been moved by his personal testimony, so I thank him for that. I also thank the hon. Member for Brigg and Goole (Andrew Percy) for securing this debate and the Backbench Business Committee for granting it. I also thank the Holocaust Educational Trust for the work it does in ensuring that as many people as possible, from every background in the UK, are aware of the holocaust and particularly of its contemporary relevance.

The HET has shared some amazing pieces of writing from survivors and victims, which really show the theme of this year: the power of words. One poem that particularly struck me was written by a survivor of Auschwitz-Birkenau, Avram Schaufeld. He wrote:

“Do not ask  
How did you survive?  
Because this is a question that causes me pain  
and brings back memories...  
I know that you mean well and are sympathetic  
and would like me to talk to your youth group  
or your son who is writing a paper on the Holocaust  
and I could help him with this subject which is part of his exams  
You add with a smile, that no amount of reading is the same  
as talking to a survivor  
From your eager expression I can guess  
what you expect me to tell him  
About our bravery and how our faith in God  
helped us to survive...  
I lie and say that I am too busy  
that I have other commitments  
and quickly take my leave and turn away  
so that you cannot see the hurt in my eyes  
Do not ask me why”.

Avram Schaufeld was the only member of his family to survive the holocaust. His poem addresses the theme of words from a rather different perspective and articulates his understandable reluctance to talk about the horrors of his past. But each year there are fewer and fewer survivors of the holocaust, and we must be grateful to all those who have gifted us their memories and testimonies—their words live on.

In my constituency of Heywood and Middleton, we will be gathering together on the evening of Monday 29 January at Heywood civic centre for a commemoration service to remember victims and survivors of the holocaust, Nazi persecutions and other worldwide genocides. This event has been organised by Rochdale Multi-faith Partnership, whose stated aim is to challenge religious prejudice and misconceptions, to promote justice and cohesion, and, recognising the theme of this year’s

Holocaust Memorial Day—the power of words—to encourage open and respectful dialogue. In the borough of Rochdale, where there are sadly some who seek to divide our diverse communities, I cannot overstate the fantastic work done by Rochdale Multi-faith Partnership in bringing communities together in a spirit of mutual understanding, including those of no faith. I am hoping to attend the ceremony myself, but I will be subject to the power of the words from the Whips Office on that particular date.

In conclusion, we must never forget the lessons from this horrific part of recent history. Only today we heard in this Chamber about a report on the Rohingya crisis in Bangladesh and Burma, and we must redouble our efforts to end this humanitarian crisis, which has been described by the UN as a “textbook” case of “ethnic cleansing”. We must all remember the lessons of the holocaust and never forget that evil triumphs when good men and women do nothing.

4.23 pm

**Jim Shannon** (Strangford) (DUP): First, I congratulate the hon. Member for Brigg and Goole (Andrew Percy) on bringing this debate to the Floor of this House. As is well known, I am a strong supporter of Israel, as others are. I believe in the nation of Israel and support it. Today, I stand, as others have, in solidarity with those from all over Europe who were culled like the lowest of animals due to their belief and because a regime could not tolerate the ideal of freedom of religious belief for anyone.

I congratulate the right hon. and hon. Members who have given fantastic speeches and made a terrific contribution to today’s debate. I have spoken every year in this Chamber on this topic and as long as God spares me, I will always take the time to remember and mourn the holocaust.

I recently watched a snippet of a programme, one that many people are probably aware of as it has been making the rounds on Facebook. It showed when Sir Nicholas Winton, who rescued 669 children from Nazi death camps, was honoured and was in a room with many of the children he had saved—they were now adults with their own children. Those who have seen the programme will know what I am going to say. Those people were alive because of the sacrifices and decisions that Nicholas Winton took. It was hard not to be moved by the 104-year-old Nicholas Winton giving an interview and making a life-changing statement when he was asked what made him think that he could save lives. His answer was simple:

“I work on the motto that if something is not impossible, there must be a way of doing it”.

It was simple for him, but he did a great thing.

**Ruth Smeeth:** I thank the hon. Gentleman for speaking about Nicholas Winton. Last year, we celebrated, and in fact made a film about, the children who survived and were brought to Stoke-on-Trent because of Nicholas Winton. Those children had no connection at all to our city, but have gone on to be huge ambassadors for it and for our country. That should be applauded at every opportunity.

**Jim Shannon:** I thank the hon. Lady for her pertinent, honest and personal words. I am fortunate that in my constituency we have Kindertransport children, who were

[Jim Shannon]

saved by those who took the time to bring them across. There is a farm in Millisle known as McGill's farm, which is where the young children who came over during the second world war stayed. Some of them stayed and never went home: they came from Germany to Millisle in my constituency, where there were people who loved them and looked after them.

I long to see a generation of Nicholas Wintons reaching out from the UK again, making a difference to the world and leaving a legacy of hard work and moral character for later generations. As I watched that short snippet, it was hard not to get emotional because the next generation of children, including my own granddaughters, will not get to see these kinds of stories at first hand. Others have referred to how important it is that we record these stories and have this event every year, so that we can commemorate the holocaust, remember those who were murdered and think of those who survived. It is also important to remember that many of those who survived are now no longer here.

The sight of an actual lady in that programme thanking Sir Nicholas is something that is now imprinted in my memory, and in the memories of many others. It is sometimes easy to watch a film and see the Hollywood slant. It makes it very real but also slightly deadens us to the emotional fact. Seeing the faces of those who managed to survive the camps but knowing that 6 million did not makes it very real. As that realisation sank in, so did the realisation that now more than ever we must make a concerted effort to teach our children not just the figures—it is not only about the 6 million figure, which is horrific and shocking enough—but that these were lives lost, that an entire nation was slaughtered, that a people were forever wounded and that this was an atrocity that can never be allowed to happen again. We need to reaffirm our desire never to see that atrocity repeated by ensuring that all schools throughout the nation do not simply pay lip service to the holocaust by teaching numbers and that children see real-life stories and understand the human cost, as I believe they have. The stories of how humanity sank so low must be clear to ensure that we never sink so low again.

I wish to use again the phrase used by the hon. Member for Heywood and Middleton (Liz McInnes)—just because it is oft repeated, that does not mean it is of any less value. I am a firm believer that evil triumphs when good people do nothing. That belief comes from the holocaust and is emphasised by the poem by Niemöller:

“First they came for the Socialists, and I did not speak out—  
Because I was not a Socialist.  
Then they came for the Trade Unionists, and I did not speak out—  
Because I was not a Trade Unionist.  
Then they came for the Jews, and I did not speak out—  
Because I was not a Jew.

Then they came for me—and there was no one left to speak for me.”

Quite simply, we have to speak out for those who cannot.

4.28 pm

**Martin Whitfield** (East Lothian) (Lab): It is a true privilege to speak in this debate. I send my compliments to the hon. Member for Brigg and Goole (Andrew Percy) for securing it and to the Backbench Business

Committee for facilitating it. It was a true privilege to listen to my hon. Friend the Member for Leeds North West (Alex Sobel). In listening to his speech, we were privileged to experience the power of words. That power is hugely important.

I had a marvellously prepared speech, but I am going to cast it to one side. As a primary school teacher, it was a privilege to talk to children and to be there when they discovered new things and new facts. It has been a huge privilege this week to send out to the schools in East Lothian the Holocaust Memorial Day packs provided by the trust.

I wish to share my experience of coming to understand about the holocaust. I had the luck and, again, the privilege of listening to a survivor when I was at school. I remember us all sitting around in the hall when this lovely lady came in. She seemed terribly old and terribly far away, but her opening words were, “I was at school.” Suddenly, she had us all—there may have been 70 of us in the hall—in the palm of her hand. She shared with us an experience that she wished we would never have, and she shared with us an experience that has stayed with me ever since. The word “privilege” gets used a lot, but it was a great privilege to listen to a survivor.

I wish to extend my compliments to the ambassadors as they take over from those who are living now and who have experienced what happened. They will take the experience forward and spread it out.

Social media is a great, great tool in the hands of the right people, but, unfortunately, it is used sometimes for truly horrendous things. I would like to take this opportunity, in thinking of the power of words, to say that we who have the power of words must point out what happened to those people who are still to learn about the holocaust and to those people who are learning empathy through listening and understanding about what happened. We must also hold out against those people who want to misrepresent what happened, those people who have forgotten the important lessons of history and those individuals who just deny what history so clearly tells us. We must not forget. The importance of this day and the importance of this debate rests with us and in doing that.

4.31 pm

**Mike Gapes** (Ilford South) (Lab/Co-op): My hon. Friend the Member for Leeds North West (Alex Sobel), in his absolutely powerful and moving speech, made reference to films. There is another—Steven Spielberg's fantastic work “Shoah” in which survivors living at the time all gave their testimony, speaking in their own words for the record. Hopefully, those words will be there for generations to come.

Twenty-one years ago, I introduced a private Member's Bill on holocaust denial. It was a precursor to a private Member's Bill on Holocaust Memorial Day promoted by my former hon. Friend the Member for Hendon, who came in in 1997. We did not get the Bill on denial, but we did get the Bill on memorial. I received an incredible amount of anti-Semitic abuse. For two years after, I received specially printed Christmas cards with the most vile images. The assumption was that I was Jewish. Actually, I am not; I grew up in Ilford and the mum of one of my best friends at school always thought that I was Jewish because I was always round there, but I am not.

Interestingly, after the election in 1997, I decided that I was going to do more about these issues. Then a group was established locally that campaigned against me because I supported a two-state position in the middle east. The group, which called itself the Association of Ilford Muslims—I do not have the time now, but I refer Members to my Westminster Hall debate that I held in June 2001—put out leaflets saying that I was no friend of the Muslims, I was a true friend of Israel, and I represented Tel Aviv South, not Ilford South. Subsequently, the Muslim Political Action Committee UK was set up. It has peddled on the internet and through social media anti-Semitic material, which it dresses up as anti-Zionism. It has targeted people in election campaigns, including in Rochdale, Oldham, Birmingham, Blackburn, in my constituency and elsewhere to try to get rid of people it regards as pro-Zionist MPs—mainly Labour MPs, but Conservatives as well. That has been the power of their message. It is insidious, and it is in our politics.

I am very pleased to say that next Friday in Ilford we are going to have all communities, as we always do—Muslims, Christians, Buddhists, Jews—

**Lyn Brown:** May I just ask my hon. Friend for the venue?

**Mike Gapes:** Valentines Park in Ilford, at the holocaust memorial garden, which was established on the initiative of the former council leader—still a Conservative councillor—Alan Weinberg. We will have our annual service there, and there will be young people from many different schools, including, as in recent years, young people from a Muslim school—the Al-Noor school. We have many different people from different faiths speaking, because that is Ilford today. A century ago, Ilford had a very large Jewish community, but now we have all the different faiths, and they come together.

It is important to recognise that the poison that was put out against me all those years ago did not succeed. I am still here. More importantly, the community has rejected extremists of that kind, but they are still there. They are out on Twitter. They are out on Facebook.

**Ruth Smeeth:** My hon. Friend makes a powerful case for how much has changed locally. This debate is all about the power of education, and that has a huge impact in my constituency and across the country, which is why the work of the Holocaust Educational Trust is so important.

**Mike Gapes:** I absolutely agree. I had not been to Auschwitz before 2013, when I went with a group of young people from schools in the south of England—there were not people from my constituency on the day that I was available. Every year, young people from many of my local schools go there, and those young people come back and talk about their experience, and spread the message in our community.

In our modern, pluralistic, democratic society, we must never forget the events of the holocaust. We must also remember the more recent genocides in Rwanda and Cambodia and what happened to the Yazidis. As the Foreign Affairs Committee and the International Development Committee pointed out in their recent reports, we also need to highlight the plight of the Rohingya today. We must stand together as a community and fight these evils.

4.37 pm

**Neil Gray (Airdrie and Shotts) (SNP):** It is an honour to have the opportunity to speak in this important debate. I thank the Backbench Business Committee for granting this time and the hon. Member for Brigg and Goole (Andrew Percy) for securing the debate. It is also an honour and a privilege to follow all the brilliant speeches we have heard today, especially that of the hon. Member for Leeds North West (Alex Sobel).

I join others in paying tribute to Karen Pollock, the chief executive of the Holocaust Educational Trust, and its Lessons from Auschwitz project, which since 1999 has enabled over 30,000 students and teachers to see at first hand the horror and brutality and “to clearly highlight what can happen if prejudice and racism become acceptable.”

The theme of this year’s memorial day is the power of words, to remind us that

“The Holocaust did not start in the gas chambers but with hate filled words.”

Those words did not suddenly spring into being at the inaugural Nuremberg rally or from the venomous pages of “Mein Kampf”. It must be acknowledged that words and discrimination directed against Jewish people have been around for centuries, if not millennia, across the entire European continent and beyond, affecting all sections of society, all religions and all forms of state. Indeed, George Orwell noted in his essay on anti-Semitism:

“There has been a perceptible antisemitic strain in English literature from Chaucer onwards, and without even getting up from this table to consult a book I can think of passages which *if written now* would be stigmatised as antisemitism, in the works of Shakespeare, Smollett, Thackeray, Bernard Shaw, H. G. Wells, T. S. Eliot, Aldous Huxley and various others.”

While there can be no doubt that it is the Nazi leaders and those who carried out their orders who bear sole responsibility for the holocaust, their actions and beliefs were made easier to implement and for to others to subscribe to as a result of the norms and values that had been constructed over a long period, and eventually found fertile ground in 1920s Germany, in the toxic world of the Nazi party and those who carried out the work on their behalf. In the words of the hon. Member for Ilford North (Wes Streeting), who delivered an excellent speech during the debate in 2016,

“we should never avert our eyes from the most uncomfortable truth of all—that its perpetrators were not unique. They were ordinary men and women carrying out acts of extraordinary evil”—[*Official Report*, 21 January 2016; Vol. 604, c. 1635.]

The actions that the Nazis carried out may be beyond comprehension, but we can never be complacent or try to pretend that such actions took place in a vacuum and had no precedent. As the Jewish Italian writer and chemist Primo Levi, himself a survivor of Auschwitz, put it:

“We cannot understand”  
fascism,

“but we can and must understand from where it springs, and we must be on our guard...because what happened can happen again... For this reason, it is everyone’s duty to reflect on what happened.”

When Barack Obama visited Yad Vashem in 2008, a few months before the presidential election, his note in the guestbook read:

“At a time of great peril and promise, war and strife, we are blessed to have such a powerful reminder of man’s potential for great evil, but also our capacity to rise up from tragedy and remake our world. Let our children come here, and know this history, so that



[Neil Gray]

they can add their voices to proclaim ‘never again.’ And may we remember those who perished, not only as victims, but also as individuals who hoped and loved and dreamed like us, and who have become symbols of the human spirit.”

Former President Obama chose his words carefully, as must we all in politics around the world, so as not to allow this extremism to permeate again.

We must acknowledge the sad reality that a few decades hence there will be no one left who is able to offer a first-hand account of their experience of the holocaust. That is why the work of the Holocaust Educational Trust is so important—for example, in organising the event in Speaker’s House on Tuesday, or the football match between MPs and family members of survivors that took place last week. In that match, MPs, including me, played against—and lost to—Darren and Robert Richman, grandsons of Zigi Shipper, who when he was just 14 was taken from the Łódź ghetto to Auschwitz. Many who travelled with Zigi were murdered within an hour of arriving. He survived Auschwitz and was liberated by the British Army after a death march to Neustadt.

Also playing was Justin Spiro, the grandson of Harry Spiro. Like Zigi, Harry was just a boy when he was forced to work in a glass factory in the Piotrków ghetto. In 1942, the Nazis announced that all those working in the factory should attend work and everyone else should stay in their homes. Harry’s family and 22,000 other people in the ghetto were taken to Treblinka extermination camp, where they were murdered. Harry was eventually liberated by the Soviets and came to Britain as part of the group of youngsters who were later known as “The Boys”. I wish I could say more about some of the other survivors’ stories that were shared with us at the football match.

I quoted George Orwell’s comment on the history of anti-Semitism in fiction, but literature and art in general can play a more positive role in the world by portraying and expressing the personal experience, emotion and impact of real-world events in a way that is not always fully revealed by statistics alone, regardless of how extreme those events may be. I will finish with a quotation from novelist Vladimir Nabokov, who escaped to America with his Russian Jewish wife in May 1940, just prior to the Wehrmacht’s arrival in Paris, where they had been living at the time, and whose own brother would later perish in a Nazi concentration camp. In one of his novels, written just over a decade later, the central character reflects on his former lover, whose death in the holocaust he has just been reminded of when he is asked by another character if he had heard about her “terrible end”. The central character reflects that he had not thought about her until that moment

“because one could not live with the thought that this graceful, fragile, tender young woman with those eyes, that smile, those gardens and snows in the background, had been brought in a cattle car and killed by an injection of phenol into the heart, into the gentle heart one had heard beating under one’s lips in the dusk of the past.”

4.44 pm

**Yvonne Fovargue** (Makerfield) (Lab): It is indeed a privilege to speak in this debate, because I believe it shows the best of this House when we come together in a common cause. I thank the hon. Member for Brigg and Goole (Andrew Percy) for securing the debate and

for his powerful speech, and hon. Members on both sides of the House for their powerful contributions. I am sorry that I do not have the time to pay tribute to all those who have spoken, but I must mention my hon. Friend the Member for Leeds North West (Alex Sobel), who did indeed demonstrate the power of words, however difficult it must have been for him to share that story. I am so pleased that, with all-party support, this debate is a fixture in the calendar. It is not, however, just a fixture or something we do by rote; it is there to remind us of the horrors of the past and for us to look forward to the future. Sadly, this year, it is needed more than ever.

The power of words in this place is well recognised—sometimes, too many words—so it is an appropriate theme for Holocaust Memorial Day. I thank the Holocaust Educational Trust for all its work and for deciding on this as its theme. I have visited Dachau and I have visited the Washington Holocaust museum, and it is ironic that words could not describe the experience we had going round them. I have never been to a place where there was complete silence as people viewed and experienced everything there. That was particularly the case in Washington, where visitors are given a card with a name on, and when they come out at the end they are told whether they have survived—and, sadly, nearly everyone does not survive the experience. It took a good 10 minutes for us even to speak after that experience.

We are grateful to the survivors because they speak about their experiences and, however hard it is for them to do so, they tell us what it was like for them and their families. They are not just nameless and faceless victims, and they are not just 6 million; they are people with families—they were brothers, sisters, mums, dads. In a time with fewer survivors, we have to ensure that their words and their experiences live on and are communicated to future generations. As Anne Frank wrote, the words in her diary were a way of living on; she did not know that they would be her only way of living on.

We have to remember that words can be a force for good as well as a force for evil. Sadly, on this Holocaust Memorial Day, we are reminded that anti-Semitism and hate speech are no longer just in the past. As a child, I was told, as I am sure many people were told, “Sticks and stones may break my bones, but words will never hurt me,” but words do hurt: they are the start of hurting people. They are the start of stereotyping, name calling and vilification, which dehumanises people. Sadly, this is still happening today, possibly facilitated by social media, which allows people to say things anonymously that they would never say to somebody’s face.

I am very sorry that colleagues and others on both sides of the House have suffered some of this vilification. They should report it, and it the duty of all of us to support them if they are suffering from this vilification. It is our duty to call out, and to support others in calling out, anti-Semitism and hate speech wherever it is found. As my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) said, we cannot stand idly by. To stand idly by is to give tacit support to those who hate. Holocaust Memorial Day is not just to look back on a period of history; it is to reflect on how this happened. It is to reflect on how ordinary people were divided against each other and could commit dreadful atrocities on another human being, because words had told them that those others were not human beings, that they were a different race and culture and that that was bad.

Such things are not bad: differences should be celebrated, not vilified. It is our duty to show that we can reflect and look forward and to demonstrate by our actions and our words that we will not stand idly and silently by.

4.49 pm

**The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Rishi Sunak):** I thank the Backbench Business Committee, and I commend my hon. Friend the Member for Brigg and Goole (Andrew Percy) for securing this vital debate. I am honoured that this will be my first speech from the Dispatch Box. I thank my hon. Friend for his warm words, and I hope that I am able to offer the House even half the eloquence with which he spoke this time last year and earlier this afternoon. I agree entirely with the hon. Member for Makerfield (Yvonne Fovargue): it has been a privilege to hear hon. Members from across the House make powerful and—especially in the case of the hon. Member for Leeds North West (Alex Sobel)—very personal contributions to this debate.

This year the theme for Holocaust Memorial Day is the power of words, and that has been demonstrated perfectly in the Chamber today. Like many others, my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) and my hon. Friends the Members for Hendon (Dr Offord) and for East Renfrewshire (Paul Masterton) shared moving stories from their constituents. As the last of those who survived the holocaust are lost to us, the weight of those words, stories and memories only becomes greater. My young daughters' generation will not have the privilege of hearing about the horrors of the holocaust from those who lived through it, and the task falls to us, and to the young ambassadors mentioned by my hon. Friend the Member for Walsall North (Eddie Hughes), to keep alive the terrible lessons that the holocaust teaches. We must remind a new generation of where the road of prejudice, hatred and dictatorship ultimately leads.

In truth, the words so often associated with the holocaust—"never again"—have too often proved false. Whether in the tragedies of Srebrenica or Rwanda, the violence that stems from prejudice has never truly left us. Sadly, as we heard today, that prejudice is still prevalent. A comprehensive survey by the Institute for Jewish Policy Research concluded that 30% of the UK population hold one or more anti-Semitic attitudes—30%. Anti-Semitic incidents recorded by the Community Security Trust rose by 30% in the first half of last year, to their highest level since the trust began collecting records in 1984.

The truth that the holocaust teaches us is that the fight against anti-Semitism, racism and religious intolerance never truly ends. Every generation must fight it again, and every generation must choose between a common humanity, which is the shared inheritance of all, and the narrow bigotry that sees some as more human than others.

**Ian Paisley:** Does the Minister consider that it would be beneficial to reach out to those young ambassadors and lay on a special reception for them, either at Downing Street or here in Parliament, so that they can be inspired and know that they can go out and advocate with courage, strength, humility and power the words that are necessary to convey this important memory to the next generation? I am talking about people such as

Keri Bickerstaff of Bloomfield Collegiate School, and other young women and men who have decided to become ambassadors for this cause.

**Rishi Sunak:** The hon. Gentleman makes an excellent point which I will consider and take up with the right people in my Department and others.

The holocaust did not begin in the gas chambers; it began in the minds of ordinary people—people who, spurred on by Nazi propaganda, allowed spoken words slowly to erode the value of Jewish lives. The story is always the same. From so-called "class enemies" in Cambodia, to the so-called "cockroaches" in Rwanda, the terrible power of words is all too clear.

Education is crucial to fighting prejudice, and I note that many Members of the House have powerful memories of their visits to Auschwitz-Birkenau. For that we must of course thank Karen Pollock, the CEO of the Holocaust Educational Trust, who along with her team is an inspiration to us all. My hon. Friend the Member for Harrow East (Bob Blackman) correctly highlighted the trust's new initiative to use the Lessons from Auschwitz programme to challenge anti-Semitism on university campuses, and the Government are proud to support that.

We must also pay tribute to the work of the Holocaust Memorial Day Trust and its chief executive officer, Olivia Marks-Woldman, who along with her team delivered the most successful Holocaust Memorial Day to date last year, with almost 8,000 local events. The Government are proud to support and work along these and many other commendable organisations.

It would be remiss of me not to mention a notable absence today, the Prime Minister's post-Holocaust issues envoy, Sir Eric Pickles, whose passionate speeches those who have attended previous debates will no doubt recall fondly. Sir Eric was the driving force behind the Government's adoption of the International Holocaust Remembrance Alliance's working definition of anti-Semitism, making the UK the first country in the world to formally adopt the definition. As we have heard, the Government are also planning to build a new national Holocaust memorial and learning centre, a project that was kick-started with £50 million of funding.

I would like to end by paying tribute to those survivors honoured in the Queen's new year's honours list: men and women of enormous courage who have relived again and again their lives' most painful memories so that we might all learn from them. It is both a great privilege and a responsibility to call such remarkable people our fellow citizens. Having listened to so many outstanding contributions here today, I believe that we remain a nation worthy of that honour and that we remain a Chamber that through our own words will never forget and will play our part in honouring these heroes' stories.

4.56 pm

**Andrew Percy:** I thank the three Front-Bench spokespersons, whose speeches were all excellent in their content, and pay particular tribute to my hon. Friend the new Minister on his first outing at the Dispatch Box. He made a much better fist of it than I did last year, and will clearly last longer than I did in the job. I also thank other colleagues who have taken part in this debate.

[Andrew Percy]

This has been an incredible debate. It was great to hear the many testimonies of survivors themselves. We heard about Rudi Oppenheimer from the hon. Member for Liverpool, West Derby (Stephen Twigg), and about his constituent Oscar, a refugee from the Democratic Republic of the Congo; and we heard Edgar Guest's story from the right hon. Member for Enfield North (Joan Ryan), Ernest's story from my hon. Friend the Member for East Renfrewshire (Paul Masterton), and those of other survivors. We heard a lot about the role of young ambassadors, including from the hon. Member for North Antrim (Ian Paisley), while my hon. Friend the Member for Walsall North (Eddie Hughes) mentioned his constituent Joe Collins, who will shortly be attending York University, which I also attended—I hope he makes better career choices than I have made since graduating.

We also heard about the dangers of social media from the hon. Member for West Ham (Lyn Brown) and others and about how it was being used to spread hate and anti-Semitism. We heard from the hon. Member for Ilford South (Mike Gapes) about how people do not need to be Jewish to be on the receiving end of anti-Semitism. My first experience of anti-Semitism came in about 2010, after a trip to Israel. The contributions have been excellent this afternoon. My right hon. Friend the Member for Chipping Barnet (Theresa Villiers) gave a rallying cry for us all to go out and fight anti-Semitism once again.

I will end where I started. Words are important. Anti-Semitism is a stain on humanity, society and our politics at the moment. We must all match our words with action, and that applies to all of us in this House, including those at the very highest levels of our political parties.

*Question put and agreed to.*

*Resolved,*

That this House has considered Holocaust Memorial Day 2018.

## Musgrove Park Hospital Surgical Centre

*Motion made, and Question proposed,* That this House do now adjourn.—(Craig Whittaker.)

4.59 pm

**Rebecca Pow** (Taunton Deane) (Con): I am delighted to have secured this debate, which gives me the opportunity to bring Musgrove Park Hospital—located in Taunton and serving the whole county of Somerset—under the microscope. More particularly, I am focusing on the need to replace some of the oldest buildings, which are providing care to some of the most critically ill patients, with a brand-new £79.5 million surgical centre.

At the outset, I want to be clear that Musgrove Park Hospital is rated by the Care Quality Commission as good overall and as outstanding for care. That rating was announced following inspections in January 2016, and in August and September 2017. I particularly want to place on record my thanks and appreciation to all the hard-working and dedicated staff across the board at Musgrove and all those who link into it, because without them it would not be the place it is today. The hospital is very much respected locally.

I want to thank those who have inputted into and informed this speech, including the chief executive, Peter Lewis, and Dr Sam Barrel before him; Dr Stuart Walker, the chief medical officer; and Dr James Sidney. I also thank my London team, but particularly my parliamentary assistant, Katherine Toone, who is moving to pastures new, so this is very much her swansong. I also thank my Taunton team.

So why am I calling for a new theatre complex at Musgrove and supporting the bid that has recently been submitted to the NHS transformation body? Well, first, like so many people in my constituency, I have a personal link to the hospital. I have lived locally for almost 30 years, and Musgrove has seen my family through a lot. For example, all my three children were born there. The dramatic emergency operation I went through during the birth of my first child will remain in my mind forever but, thanks to the quick reactions of the staff and the professional team, all went well. In all the years that have followed, we, like so many other local families, have been in and out of that hospital for one reason or another, and that is still the case. There is always a personal link that people feel with their local hospital.

That first experience of the Musgrove Hospital's operating theatre was 25 years ago. Today, the self-same operating theatres are being used, but even more poignant is the fact that five of the 14 theatres in the hospital have been in use not for 25 years, but for 70 years. They were built in the 1940s by the American forces based in Taunton as a temporary evacuation hospital for the D-day landings. They are still in constant use. They could almost qualify as a museum, but they are still functioning.

Members might therefore understand why a new complex that will house more up-to-date theatres and associated facilities is urgently needed. Basically, the current theatres are not fit for the demands now being placed on them, and that has been brought home to me following a number of tours of the premises. I have seen staff in the critical care unit having to work in the most cramped conditions imaginable—tiny, narrow corridors where it is tricky to manoeuvre equipment and move beds round. There is also an extreme lack of storage



space—I could hardly get in, with all the stuff packed in there. The storage systems seem to have come out of the Ark—there are dank cupboards. It is also a constant juggling act to fit patients in, because there simply is not enough space, and there are not enough isolation rooms.

Now, Madam Deputy Speaker, let me take you on to the roof, where I have literally been with the estates manager. Up here is located the unbelievably antiquated air conditioning unit, which is housed in what I can only describe as a deteriorating shack. It is so old that there are still notes from electricians on the walls about what they did last time. We do these things digitally now, but there are little scribbled pencil notes—it is historic. The sky is also showing through the crumbling wall at one end, and the hospital has difficulties with the insulation. This system alone is well past its sell-by date.

The report produced by the CQC following its recent inspection made reference to the environment in the surgery department. The report stated that the premises were not always suitable and noted that some operations were cancelled due to the air conditioning failing in the theatre environment.

Just clambering across the roof was quite a precarious process, criss-crossed as it is with a complex network of pipes. Members can imagine the wear and tear involved and the maintenance issues, especially when it is cold and snowy. In most modern hospitals, of course, such pipes would be enclosed.

The 1940s flat roof housing the five theatres at the heart of this debate is key to some of the problems. The roof is in constant need of repair to keep it watertight, which is costly and time consuming. I kid you not, Madam Deputy Speaker: rain water comes through the roof and into the ceilings below, and is often collected in buckets. A couple of years ago, I found myself witness to that as a patient, when I had to go in for an op. It was a dark and stormy day, and as I was wheeled along on the trolley, there were literally buckets collecting water in the corridors. I was a little alarmed. The next thing I knew, as I lay in the operating theatre waiting to go under, I was surrounded by masked figures, who were obviously quite well aware of who I was. In the nicest but firmest possible way, they drew my attention to the dire state of the fabric of the building and urged me to do something about it when I got out. And who could blame them for not taking advantage of that opportunity, pinned as I was to the slab, as they say?

Those people need not have worried—I thank them, by the way, for the great care I got—because it was already in my mind to try to help, because I had been made aware of the issue before my election and had determined that if I ever got to this place, I would try to do something about it. I raised it with the then—and thankfully current—Secretary of State when he came to Taunton Deane before my election in 2015. I have broached the subject with him many times since arriving here, so I know it is on his radar, and I hope it will also be on the radar of the Minister, whom I thank for his interest so far.

I reiterate that, despite the challenges presented by the fabric of the buildings, Musgrove continues to deliver the best possible care. Recent figures from the Intensive Care National Audit and Research Centre show that mortality rates in Musgrove's intensive treatment unit are the lowest among 20 similar units throughout the UK, so we do not want to worry people on that score.

However, I stress that the buildings I am highlighting today were never intended to provide modern and complex hospital care, and they certainly were not intended to cope with the throughput that the hospital faces. Moreover, the critical care section is where the most seriously ill patients are treated, and it includes the operating theatres, where patients undergo a range of operations—general surgery for the local population, as well as more specialist surgery for a much wider population.

The current facilities simply cannot provide the support required for the provision of 21st-century healthcare, and demands are ever-increasing, as I am sure the Minister knows, especially in a county such as Somerset, given our elderly population. The baby boomers are hitting their 70s and, with Somerset being such a glorious county, people choose to retire there. Although they are welcome, the influx puts even more pressure on our health services. It is a tribute to our health service that on average people can look forward to a longer life, but that brings with it more complex medical issues, and that puts more pressure on our theatres.

Musgrove, by the way, does not draw its clientele, if I can call them that, just from the county. Owing to the high level of expertise it has developed—this is a great accolade to the hospital—Musgrove has acquired strategic importance to healthcare in the wider south-west. People come from much further afield for its specialist services. For example, vascular surgery patients regularly travel quite long distances for treatment at Musgrove.

I want to give a few numbers. The trust undertakes approximately 4,000 operations a year, and that figure is growing by 5% each year. As demand escalates, the trust is struggling to keep up. That is already having the unfortunate consequence that many residents of Taunton Deane and further afield are inevitably experiencing longer waiting times, with patients having to be transferred to other providers where possible. Having spoken to many people who have used Musgrove, I know how inconvenient and upsetting it is when people cannot go to their local hospital and suddenly have to transfer much further afield, away from friends and relatives, who find it hard to visit. That adds a lot more stress to the whole situation.

Let me turn to the practicalities. The call for a new theatre complex is not just based on demand. There are real practical limitations to the current system that need to be addressed. Unfortunately, that can result in the patient experience being compromised—which, I must continue to add, in no way reflects on the staff.

Musgrove currently has the highest bed occupancy in the south-west. Most of the time the rate is 90%, and best practice is generally recognised as about 70%. In the critical care unit there are 12 beds: six in the high-dependency unit, which is close to the intensive care unit; and six in intensive care. What is needed, and what is in the bid, is capacity for 22 beds: 18 at levels 2 and 3—level 3 being for those who require the most care—and four at level 1. The idea is to make them flexible, so that they can be swapped from one level to the other when necessary, which cannot be done at present and which would really help. That is almost double the current capacity, which illustrates just what the hospital has been up against.

At present, bed numbers and space are the limiting factor when it comes to the number of people who can be treated, which I would suggest is pretty unacceptable.

[Rebecca Pow]

As demand for critical care capacity grows, more patients are inevitably in the undesirable position of having major surgery cancelled because the trust cannot guarantee access to a critical care bed following their procedure. For the staff, trying to sort out the bed space is a constant juggling act that must put unnecessary strain on their already pressurised daily lives. I have talked to them, and while they are awfully nice about it, I know that they are under a lot of pressure.

The new plan also encompasses new facilities for the endoscopy unit. The current premises are outdated and unacceptable. This is a very hard-working department, of which I have had a great deal of experience when family members have had to use it. The unit does not comply with current regulatory healthcare environmental standards, and it does not have the capacity to cope with the existing demands of the diagnostic screening programme, let alone the future growth that we are likely to see. It is great that more people are being called for screening—we are always talking about such things in Parliament—as early diagnosis tends to lead to better outcomes, but that is of no use if the system cannot cope. The crux of the matter is that the long-term sustainability of the complex, providing emergency surgical care, diagnostic screening services and critical care in Somerset, now depends entirely on the replacement of an outdated estate that is no longer fit for purpose—so no pressure there for the Minister!

Bearing in mind the stark reality of the pressing situation which I hope I have made clear, Musgrove Park has submitted its outline business case for a new £79.5 million phase 2 surgical centre to the NHS transformation body for consideration. I believe that the timing is right. It coincides with the welcome announcement in the autumn budget of £3.5 billion of capital funding for just such projects, which will enable NHS organisations to deliver on their transformation schemes, helping to meet demands for local services, to deliver more integrated care for patients and to reduce waiting times. Other sites have already been redeveloped across the Musgrove estate and are working well.

The proposed new complex would go a long way towards bringing the entire site up to date. The new surgical centre would be placed in a more central location on the hospital site and would optimise proximity to other clinical services. It would consist of six endoscopy rooms, patient recovery and clinical support areas, eight operating theatres—including two interventional radiology theatres—clinical support and the 22 critical care beds that I mentioned earlier, all specified for the various levels of care. Those new facilities would allow a better patient experience and more efficient working, and would provide sufficient capacity to sustain services. That would have a positive impact on the health and care system in Somerset and beyond.

There is another reason why the redevelopment is so important, which has been mentioned to me a number of times in the hospital. A spanking, brand-new, state-of-the-art facility would boost morale. It would also help to improve recruitment prospects. I know it is hard to believe, but it is quite tricky to attract bright young talent to Taunton—that beautiful glorious rural area. If we had this wonderful new facility, I think talented young people would be rushing to take up our jobs,

and they would be welcomed. I have spoken to the Secretary of State about this issue and the issue of attracting GPs as well, and he thoroughly understands it, so I hope that that will also be considered in assessing the bid.

I hope I have outlined a clear case for the need for a new surgical centre at Musgrove. In allocating funds, value for money to the taxpayer is also extremely important. Extensive studies have illustrated this. The Minister might say, “Why don’t you just improve the outdated facilities that are there?” But that simply does not cut the mustard. Those facilities would not provide a long-term sustainable solution, and they would present very poor value for money. Money spent on basic refurbishment of the existing life-expired facilities cannot address the capacity constraints and would not enable compliance with current standards of healthcare provision or improve the patient experience. Consideration of the Somerset sustainable transformation plan relating to a range of options for sustaining these services for the long term has concluded that the best option is to re-provide the services in a new, modern, high-quality, adaptable building that can meet the needs of patients as medicine and healthcare make further advances.

So, not to put too stark a point on it, Minister, if these facilities are not updated, there is a risk of critical infrastructure failing. Those are strong words and they are not mine: they come from Musgrove Park. The risk of this occurring would be all but eliminated, together with the threat it might pose to the continuity of services to the patients of Somerset, if the new centre were built. Modern facilities will also provide a better patient experience, enable more efficient working and provide sufficient capacity to sustain services, with a positive impact for the Somerset care system.

Minister, the good people of Somerset have waited for far too long for this facility and the staff have soldiered on in less than desirable conditions for far too long. This is the only hospital in the south-west not to have such an upgrade. Should the bid be successful—which I sincerely hope it will be for the myriad reasons I have outlined—this project must be started with some urgency because it could take five to six years and that would mean it would not be ready for use until 2023 at the earliest. Therefore, speed is of the essence and that would be most appreciated.

I am sure that the Minister, and Madam Deputy Speaker, will agree that this is a most deserving case for the £80 million—just £80 million—of the £3.5 billion that this Government have earmarked, which we so welcome, for such projects. The money could not be better spent and the impact could not be greater. The sooner the new surgical centre is started, the sooner it will be finished and the sooner the deserving people of Taunton, and indeed the whole of Somerset and the wider south-west, will be able to start benefiting from it.

5.18 pm

**The Minister of State, Department of Health and Social Care (Stephen Barclay):** I congratulate my hon. Friend the Member for Taunton Deane (Rebecca Pow) on securing this debate, and I am pleased to be able to join her in discussing a matter of great importance to both her constituency and her family. She powerfully set out her personal links with Musgrove Park and its importance to the community as a whole.

The Government recognise the real concerns—which the House got a full flavour of—about Musgrove Park and we are working to address the concerns that my hon. Friend set out. The hospital's theatres and critical care facilities are housed in pre-war buildings that are at risk of critical infrastructure failure because of their age and condition, and she gave us a clear sense of the urgency of the need to respond to that.

It is clearly crucial that NHS facilities are as well maintained and up to date as possible. In this case, I am sure my hon. Friend will agree that decisions should be driven by what is best clinically, what is best for the health service in the area, and what is of most benefit to the greatest number of people in the area. It is right that we address these matters at a level where the local healthcare needs are best assessed, rather than doing so solely in Whitehall.

The Government recognise that Musgrove Park Hospital's theatres and critical care facilities need to be improved significantly, but that due to the foundation trust's financial position it is unable to fund the improvements itself. The trust has therefore proposed to invest £79.6 million in the development of modern, fit-for-purpose operating theatres, a critical care unit and an endoscopy unit. The trust is bidding for funds made available through the sustainability and transformation plan capital bidding process.

As my hon. Friend is aware, the Taunton and Somerset NHS Foundation Trust was informed that it was unsuccessful in its application under the wave 2 capital bidding process, but perhaps it will be encouraged by the fact that it was asked to develop a case with a view to submitting another bid under the wave 3 process, which is now under way. The latest bid submission process was announced in late December 2017 and closes on 31 January. The trust is being supported by the regional NHS Improvement team to ensure that it submits a comprehensive bid.

The Somerset clinical commissioning group has given its highest priority to the redevelopment of the surgical block at Taunton's Musgrove Park Hospital. Running in parallel to the process for securing funding, the NHS Improvement regional team is supporting the trust to develop the business cases required for the development of the surgical facilities. I am pleased to learn that Musgrove Park Hospital's surgical block capital bid has now been submitted and has received support, in principle, from NHS England and NHS Improvement, and will be considered for the next round of announcements for capital. Should its bid be successful, money will then be made available to start work on a new surgical centre at Musgrove Park Hospital. I join my hon. Friend in recognising that lead times for construction work are often very long. That is an area that I am keen for the Department to focus its attention on.

On the long-term plans for Somerset hospitals, the Somerset CCG is developing a clinical services review that will consider the views of patients before developing a series of service proposals with the aim of ensuring that family doctors and community hospital and district hospital services are joined up with social care services to provide financially sustainable and high-quality care. I know that my hon. Friend shares the Government's desire to ensure that we take a more integrated approach to commissioning our services.

The Taunton and Somerset NHS Foundation Trust was rated as good by the Care Quality Commission in its December 2017 report. That is a tribute to the staff working there. It was rated as outstanding for caring, and rated as good for being effective, responsive and well-led. Surgical services are rated as good overall, having been rated as requiring improvement in the previous report. This followed action being taken to address and resolve issues with theatre safety and surgical site infections. NHS Improvement has no significant clinical quality concerns, and there have been no recent theatre or estate-related significant incidents. However, the latest CQC report mentioned that inspectors had heard of operations being cancelled due to the theatre environment and the air conditioning issues that my hon. Friend mentioned. This highlights the need for improved surgical facilities.

In closing, I recognise that Musgrove Park Hospital's theatres and critical care facilities require significant improvement, and I pay tribute to my hon. Friend for the manner in which she set out such a powerful case for that improvement. Somerset clinical commissioning group has given its highest priority to the redevelopment of the surgical block at Taunton's Musgrove Park Hospital. I am pleased to learn that the hospital's surgical block capital bid has been submitted and has received support, in principle, from both NHS England and NHS Improvement. Should the bid be successful, money will then be made available to start work on a new surgical centre at Musgrove Park Hospital. I am sure that my hon. Friend will agree that decisions should be driven locally, and I know that she is particularly focused on that.

In securing this Adjournment debate, my hon. Friend, as she so often does, has put the case for Taunton Deane. As the Minister responsible, I recognise the importance of the issue both to her and to the community, and I look forward to continued discussions with her as we seek to progress the situation and ensure the best possible care for Taunton Deane and the surrounding area.

*Question put and agreed to.*

5.25 pm

*House adjourned.*





# Westminster Hall

*Thursday 18 January 2018*

[MR VIRENDRA SHARMA *in the Chair*]

## Supported Housing

1.30 pm

**Mr Clive Betts** (Sheffield South East) (Lab): I beg to move,

That this House has considered the First Joint Report of the Work and Pensions Committee and the Communities and Local Government Committee, Future of supported housing, HC 867, Session 2016-17, and the Government response, Cm 9522.

It is a great pleasure to introduce this debate. I welcome the Minister to her place. This is her first opportunity to respond to a debate on the issue, and we look forward to her customary approach to local government matters—I am getting in early before she is taken over by her civil servants and told what to do. She certainly has a long track record with local government matters, having been a councillor, chair of the all-party group on local government and a member of the Select Committee on Communities and Local Government.

I also place on record the Committee's thanks to the former Minister, the hon. Member for Nuneaton (Mr Jones), who appeared before us to answer questions on supported housing and, more recently, on homelessness. He certainly listened to the Committee on many occasions and responded positively to us; I will say a little more in due course about how positive his response was to our report. I used to tease him a little by saying that his primary job was trying to save the Department for Work and Pensions from itself when it ventured into housing matters and made policy that subsequently unravelled rather badly, having posed serious problems for much of the housing sector on the way.

The joint report is the result of our two Select Committees getting together to address this very important issue. Anyone who reads the Government response will see the wide range of accommodation that is covered by the term "supported housing", from long-term traditional sheltered housing and extra care provision to what are essentially people's homes—accommodation where people with learning or physical disabilities may live for long periods, or provision that people with mental health problems rely on. It also includes very short-term accommodation, often for homeless people who have nowhere else to go and need a roof over their heads, but who will eventually move on to more long-term accommodation. The report also covers the very important issue of how to provide accommodation for women fleeing domestic violence.

We probably would not be here this afternoon were it not for the Government's intention to change the funding arrangements for such accommodation back in 2015 and 2016, and their now rather infamous decision to link payments to the local housing allowance. At least the Minister can relax this afternoon, because she does not have to defend the indefensible, unlike the Ministers who gave evidence to our inquiry. No one could begin to defend relating the costs of supported housing in any way to those of renting in the private sector, because the differences in local housing allowance rates were so extreme and bore no relation to the costs of providing

supported housing in different parts of the country. At least we have got there now. At some point, the penny dropped for Ministers and civil servants and they extracted themselves from the impossible position that they had got into. That was certainly a great benefit of the inquiry. I pay credit to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) and the hon. Member for Gloucester (Richard Graham), who jointly chaired it, for putting Ministers on the spot and making them so uncomfortable that in the Government response they have extracted themselves from that impossible position.

I think I can see how it all came about. Someone in the Treasury must have said, "You mean you pay all this money to these housing providers—you just pay what they ask for? They ask for the rent, you pay over the housing benefit and there is not really any control. We need to anchor the payments to something or other, so let's come up with a local housing allowance. That'll do—it'll provide an anchor so that the providers cannot simply write cheques to themselves." I am sure that that is how we got into that position, but at least we are not there any more.

Let us not forget, however, that 85% of new development of supported housing in this country was put on hold. We wasted months—indeed, a couple of years—while nothing happened. Although we may be in a better place now than at the beginning, we have still had two years when, despite the urgent need for more supported housing in this country, nothing has happened on 85% of the schemes that were in train. Everyone has said, "Wait a minute. We can't go ahead because of the uncertainty. We can't borrow the money because of the uncertainty. We can't develop the schemes that we all know are needed, because the Government got the initial proposals completely and absolutely wrong." We should not forget that; indeed, it was worse than that. Organisations such as St Mungo's that came to give evidence to the Communities and Local Government Committee before the joint inquiry was set up said: "If this carries on, not only will we not develop new accommodation; we will pull out of what we have, because we cannot make it pay."

**Andy Slaughter** (Hammersmith) (Lab): My hon. Friend is right to highlight St Mungo's, which used to be based in my constituency and has done a lot of projects there. It is under a continuing threat: because there is still an intention to rely on local authority grants to fund short-term housing, there is not only insecurity but hostels will have to close.

**Mr Betts:** My hon. Friend is absolutely right: there is an underlying problem. St Mungo's representatives came to see me this morning and spoke on behalf of a number of providers about the difficulties that still exist, despite the Government's proposals and the fact that we have got away from LHA rates, as a first move in the direction of sanity. At least that has been clarified, but we should not forget the problems that have occurred in the past two years.

I think the report is excellent. It deals with more than just funding issues; it looks at the role that local authorities play in provision in their area; at how to get people from supported housing into more permanent mainstream housing; and at enabling people to get into work while they are in supported housing. It includes a lot of good

[Mr Betts]

recommendations, but I will focus on three key funding issues. I would like some clarification and some certainty from the Minister about where things are going, at least in the medium term. I hope I can also persuade her to think again about two key issues in which the Government have not quite got to the right place.

The first issue is longer-term provision. To some extent, the Government response separates sheltered and extra care housing from long-term supported housing. I accept that slightly different regulatory regimes are proposed for those two sorts of housing, but in essence they will both be funded through the welfare system, as the Government response says. Their funding arrangements look similar, if not identical, so I shall address them together.

I think the Government response is helpful. It is an awful lot better than what we started with. It is clearly right, as we heard overwhelmingly in the evidence we received, that paying for supported housing should be linked to housing benefit, or to the housing element of universal credit when it comes in. What I want from the Minister is a little more explanation and clarification of the wording. The word “control” is used several times, including a reference to

“enhanced cost controls and oversight, ensuring value for money for the taxpayer”.

Of course, everyone recognises that the Government’s job is to ensure value for money for the taxpayer, but what does that phrase actually mean? Does it mean that in the future there will be an effort to bear down on the amount of housing benefit that is paid, to reduce the amount and say, “Well, we paid you the 100% that you requested for housing benefit last year, but next year it’s only going to be 95%, because we expect you to start squeezing the costs that are applicable to this scheme”? Who exercises the controls? Will there be a system with criteria, or will things simply be done on an ad hoc basis for individual schemes?

It would be really helpful in the cases of sheltered and extra care housing, and of long-term supported housing, for which slightly different regulatory regimes are being proposed, but necessarily the words “cost control” come into both of them, if some further explanation could be given about precisely how those cost controls will operate. Who will operate them? Will it be something that is done for three or four years ahead, or will it be something on an annual basis and, if so, how? Such an explanation would be helpful, not merely for our satisfaction here. We come back to this issue of long-term investment. We want more providers to come in with proposals, to get more places and more schemes, but they will only do that if they can satisfy the people they are borrowing money from that there is a long-term future for such schemes and that the money can be paid back. So it is absolutely crucial that we get that right. I am not making a criticism of the proposal as such; instead, I am seeking clarification about how these schemes will operate. So, can we have a bit more certainty about they will operate for the providers in the future? I think we are getting there; we are on the same page, but we want to be clearer about what longer-term arrangements are actually written on the page.

I will come on to something about which I think there is a more fundamental problem, which is the issue with short-term accommodation. I think the term itself

causes some difficulties; the Government certainly have difficulties with it. Paragraph 19 of the “Conclusions and recommendations” in this excellent joint report says—I am sure that the Minister has read that paragraph several times already, but I will read it for her again—that

“The Government is right to consider an alternative funding mechanism for very short-term accommodation”.

I will stop reading there, because there is an important word in that sentence. It refers to “very” short-term accommodation. Paragraph 19 continues, “given the emergency nature”—again, those words are important—“of that provision and the inability of Universal Credit to reflect short-term changes in circumstance.”

I think that that is a given; everyone knows that there have been problems with universal credit in the first few weeks. However, I do not think that anyone thinks that the problems with universal credit are likely to last for two years, do they? Do Ministers think that? Is that why the “short-term” arrangements last for two years under the Government’s proposals—because they do not think that universal credit can be sorted out in two years? I do not know. However, if the Minister thinks so, she is even more pessimistic about universal credit than most of the rest of us are. Anyway, that is the issue.

It was very clear when the two Committees produced their joint report on this subject that they were thinking of accommodation where people literally could not get their universal credit sorted out within a matter of days or very few weeks. I think the period of around 12 weeks is probably reasonable; I think that is the period that most providers are looking at. It is “emergency” accommodation—accommodation for people who have not got a roof over their head; they live there for a very short period. I think everyone accepts that that sort of accommodation needs a different funding model. The problem is that recommendation 19 is being used by Ministers to justify having a completely different funding model for any accommodation that is provided for up to two years, and there is no justification at all in the Government’s response as to why there is that sudden extension from what had been looked at as “very short-term”, “emergency” accommodation for up to 12 weeks to accommodation that is for up to two years.

People from St Mungo’s came to see me this morning and they spoke on behalf of the Riverside Foundation, YMCA and the Salvation Army, which provide around a quarter of so-called “short-term supported housing” units in this country. They said that that extension gives an element of uncertainty to their funding that really causes them major difficulties. St Mungo’s said that 98% of the accommodation it provides will be covered by this ring-fenced grant to local authorities, about which there is absolutely no certainty at all.

I raised the concerns about the need for more clarification and certainty about the long-term funding arrangements linked to housing benefit. However, I think that most providers think there is an awful lot more certainty about those arrangements than there is about some unspecified, ring-fenced grant that can be changed at the stroke of a Chancellor’s pen at any time in the future.

**Sir Edward Davey** (Kingston and Surbiton) (LD): I thank the hon. Gentleman for giving way; he is making an excellent point about an excellent report. May I give him one example of where we need to see more short-term accommodation and where we need the certainty of the



financial models that he is talking about? A lot of homeless people suffering from terminal illness have a right to accommodation, but when local authorities and others get together to provide that accommodation, it is exactly the sort of accommodation that he has been talking about. That accommodation, which is so needed in many communities, will not be provided unless this problem is sorted out.

**Mr Betts:** Yes, I think that is absolutely right and again we are back to the point that providers of new accommodation need some certainty, because when they go to borrowers the borrowers say, “Where is the funding stream for the future?”; borrowers want to see that funding stream. That is exactly what St Mungo’s is saying—it will not be able to raise the funds under this proposal that the Government are currently putting forward.

I do not really know why there has suddenly been this extension to two years. There is no justification for it, so I will just ask the Minister, who I accept is new in her post, to have a really good think about it. I know there is still some of the consultation period left—I think it extends next Tuesday—so there is time to rethink and get this right.

I also say to the Minister that this issue is not only about funding for the future but about the nature of the funding and what it says, because if the funding is related to the welfare system—to housing benefit or the housing element of universal credit—essentially it is the accommodation of an individual that is funded. That individual has a relationship with the payment for their unit of accommodation. They are entitled to that accommodation, and they make a payment from their housing benefit or their element of universal credit for the cost of that accommodation. It is a tenancy relationship between the provider and the individual.

As part of the Government’s welfare reform to give responsibility to the individual in such circumstances, I would have thought that that tenancy relationship would have appealed to Ministers. However, the Government are now saying that, with a ring-fenced grant to local authorities, it will not be the individual who receives the money to pay—through the welfare system—for the rent on their property. It will actually be the institution that gets funded. So the Government are moving from an individual system, whereby money goes with the individual as part of their tenancy, to an institutional system, where the money goes to the institution itself.

Does that move fit in with the Government’s welfare reform agenda? It is difficult to see that it does. It is also difficult to see how we are moving towards a system of personal and individual responsibility, with individuals responsible for their own accommodation, when the Government are saying, completely counter to that, “We will have a new system where we actually fund the institution, which will mean that the individual will not be given a relationship with their accommodation and the money they pay towards it.”

Ministers have to think again about this issue. On both counts, the organisations and the providers are saying, “This really gives us so much uncertainty that we’re not comfortable, and our lenders are not comfortable. It will actually stop new provision in the future.” And we go back to the issue of the individual paying rent for their property and having that rent paid through the

welfare system, as opposed to a ring-fenced grant for local authorities that institutionalises the whole system in a way that cuts off the tenant-landlord relationship. That is really quite important; I do not think that that element has really been thought through, because it really is quite important.

I will raise just one other issue, as I know lots of colleagues want to speak. Again, it is an issue that I do not think Ministers have really addressed, which is the refuges for women and children. The joint report makes a very sensible recommendation about having a “national network” of refuges. Basically, however, the Government’s response was, “It should all be done at local level”.

Generally I am a localist; I think the Minister knows that. I believe that local authorities by and large are best placed to make decisions for their areas. Local councillors living in the areas they represent know what is good for those areas better than Ministers sitting behind desks in Whitehall offices.

Women’s refuges are a different issue. By and large, supported housing deals with the problems, needs and accommodation requirements of people who live in an area, and in those cases it is right that they remain in that area and are accommodated and housed there. For women fleeing domestic violence, the situation is almost exactly the opposite. If anything, they want to get out of the area where that violence has occurred to somewhere completely different so that the perpetrator does not know where they are. It is important that we see the issue on a more national scale, so that we have places for people to go that are almost certainly not in the area where the violence has happened. I read the Government’s response, and I did not understand why they turned down our recommendation, because it seemed sensible. The recommendation was completely at odds with the rest of the report, in that the provision for that sort of circumstance is different from the other kinds of supported accommodation covered by the report. Will the Minister in her new position have a think about that?

There was overwhelming evidence to the Joint Committee on women’s refuges, but the Government said, “No, we think it is all better done at the local level.” There was no clear justification for turning the recommendation down and thinking it could all be done at the local level. Have they done any impact assessment of whether that would lead to the comprehensive network of provision that everyone wants to see?

I have raised three key issues to which I hope the Minister will respond. They are important if we are to get things right. In the end, getting the funding right means getting the provision in place and maintaining it, as well as ensuring that we get the appropriate new provision for the future.

1.52 pm

**Frank Field** (Birkenhead) (Lab): May I say what a pleasure it is to serve under your chairmanship, Mr Sharma? This is the first debate I have contributed to with you in the Chair, and I very much hope it will not be the last. I note with pleasure how my hon. Friend the Member for Sheffield South East (Mr Betts) opened the debate. The two Committees are fully signed up to much of what he said. I thank the members of the Committees for the work they did. In particular, I thank my hon. Friend the Member for Gloucester (Richard Graham)—he is my

[Frank Field]

hon. Friend on many topics—for leading the Work and Pensions Committee in this joint endeavour. I hope he will keep a longer-term interest in the subject. I am so pleased to see the hon. Member for Waveney (Peter Aldous), because he has had a long-term interest in the area, initiating debates and following things up in the Commons. All that work helps to create the tide of reform that we want.

I also welcome the Minister. Normally people say, “We hope Ministers come to their Departments with open and empty minds”, but I very much hope she is coming to this position with an open and full mind—she will be—because from her experience she knows the answers to many of the issues raised by my hon. Friend the Member for Sheffield South East. I hope the Minister clings on to that and educates her civil servants, rather than letting them do the job that they think they do so well of educating Ministers. Mr Sharma, I told you that I am chairing a roundtable in the House on modern slavery and so cannot be here for the whole debate, but I will return, I hope, to hear the Minister and the shadow Minister summing up our contributions.

I thank the Government for their movement in their response on sheltered rent on the key issue of how rents are paid in the longer term, for up to two years. Those rents will be met from state benefits, which is a real improvement. Mention has been made of at least three areas to which we would like the Minister to turn her full mind, both in this debate and in following through. The first area is the real concern about tenancies of from one month to two years. The money is ring-fenced at the moment, but what further guarantee can she give that there will be security of that funding, given that those commitments will outlast the lives of individual Governments? I look forward to hearing from the shadow Minister, my hon. Friend the Member for Great Grimsby (Melanie Onn), on the commitment that the Opposition will make.

The second area is domestic violence refugees. If we stand back, we see that the Government’s response goes back to the Elizabethan Poor Law. They say that this is the responsibility of local government, but local authorities naturally feel that the councils from which families have come should be responsible for paying the bills. We all know that people escape their original parish, as the old Poor Law would have said, because it is not safe for them to reside in that parish. I underscore strongly the point that my hon. Friend the Member for Sheffield South East made: we need a national system of funding that can support a national network. It is fine to talk the talk and say that we are serious about giving people a safe haven from the violence inflicted on them, but we want Government action. The best way of establishing a national network would be through a national agreement on funding.

The final area, which, naturally, my hon. Friend also touched on, is payment for emergency temporary accommodation—or, as those of us who have grown old in the trade would call it, bed and breakfasts. The Committee heard from Neil Couling, the boss-person of universal credit, back in September. He said that this payment would be a locally administered housing benefit. Since then, there has been a wonderful quietness on that front. Why? I hope that the Minister, whatever stick she

has for poking into places to stir people up, will give a commitment in this debate to going back to see why universal credit is not delivering on those three fronts.

I end by again thanking the members of both Committees for their work, and particularly the hon. Member for Gloucester for leading on the Department for Work and Pensions side in this incredibly successful report. It was successful in the sense of keeping us all together, and partially successful in the light of the Government response. In summing up, we hope that we will be able to record total success on all fronts.

1.58 pm

**Richard Graham** (Gloucester) (Con): I echo the right hon. Member for Birkenhead (Frank Field) in expressing my joy at serving under your chairmanship for the first time, Mr Sharma, and at welcoming our new Minister, the hon. Member for South Derbyshire (Mrs Wheeler). As previous speakers mentioned, she brings to the role considerable experience, particularly of local government and how these things work or do not work.

I suspect that there will be a degree of similarity in some of the speeches, because the issues are relatively similar, although we will all have slightly different approaches to them. I am happy to echo the comments of my friend, the right hon. Member for Birkenhead, about the Joint Select Committee report. The hon. Member for Dulwich and West Norwood (Helen Hayes) played an educating role for me, coming as I did from the Department for Work and Pensions side. It was the right hon. Member for Birkenhead who talked me into taking up something outside the comfort zone of the Work and Pensions Committee’s normal remit. It was a fascinating experience.

In his introductory remarks, the hon. Member for Sheffield South East (Mr Betts) suggested that the aim of the Joint Select Committee’s report was to make the Government feel uncomfortable, but I am afraid that was not my objective at all. I felt that our job was to try to come up with solutions to what has been a pretty difficult issue for a long time. If one needed confirmation of that, there is the fact that among the emails that we received from various charities and lobbying groups was an interesting email from the charity Homeless Link, which said it

“recognises the challenge facing policy makers—it is a hugely complex sector, making finding solutions equally complex. However, supported housing provides a lifeline for thousands of vulnerable people and it is therefore imperative that we get it right.”

I think that all of us would agree with every word of that. Homeless Link went on to say that it

“welcomes the Government’s commitments around homelessness and rough sleeping.”

That is a very promising start.

The brief from the Communities and Local Government Committee rightly highlights the areas in which the joint report, the Committee and the wider sector are very supportive of the Government’s initial report in October 2017, responding to our recommendations in April. Crucially, the Government decided not to apply local housing allowance rates to tenants in supported housing. That was a clear recommendation in our report, and arguably the single most important one. I welcome the Government’s response in October, and hope that all right hon. and hon. Members here do likewise. My

hon. Friend the Member for Nuneaton (Mr Jones), who was the Minister for this portfolio at the time, made it clear that, broadly speaking, the Government's response built on the report that we had submitted.

The right hon. Member for Birkenhead and the hon. Member for Sheffield South East both highlighted that there remains concern about what I would call the issue of the guarantee. For example, I received an email from Joe Feeley, the chief executive of Emmaus in Gloucestershire, which does an outstanding job for the people it helps, in which he said:

"Although the proposals state that funding for supported housing costs would be ring fenced, we are concerned that in the long term this is difficult to guarantee."

The right hon. Member for Birkenhead made precisely the same point. Philosophically, we might all take the view that it is pretty difficult for any Government to guarantee everything forever, but it would be helpful if the new Minister could reassure Emmaus, and Members across the House, about how supporting housing costs will be ring-fenced, and the Government's intention to continue that throughout the life of this Parliament.

**Mrs Madeleine Moon (Bridgend) (Lab):** I thank the hon. Gentleman for giving way, because I am here specifically to speak about Emmaus. One of Emmaus's concerns is that it may be limited to the two-year period of funding. It would be so helpful if the Minister confirmed today that, although we cannot have an open-ended commitment, it will be a lot longer than two years.

**Richard Graham:** I am grateful for that intervention, because clearly the two-year issue is one aspect of this matter. However, I think the wider issue is probably around the definition of "short term", as has been mentioned. I had an interesting briefing from representatives of Rethink Mental Illness, who said that they

"warmly welcome the decision not to proceed with the LHA cap, and to place long-term supported housing funding on a sustainable footing."

However, they went on to raise

"concerns about some of the proposals for 'short-term' supported housing",

which I think is normally defined as being under two years. That seems to be the issue that worries Rethink Mental Illness and other mental health organisations. Rethink Mental Illness has issued a joint letter with nine other organisations, aiming to tie down a little the definitions of "short term" and "very short term". I hope that the Minister can shed some light on that, but we will all have to bear in mind that the consultation closes on, I think, 23 January. It will be difficult for the Government to say too much in advance of that, so I assume that the main purpose of today's debate is for us to get our points in before the Government's response to the consultation, which will no doubt include some of these points from charities.

**Sir Edward Davey:** On that key point, those in the Treasury always want to control everything and to ring-fence funds, so that nothing more can be used. However, if the funds run out, the need of the people whom we are talking about is still there. We need to get that point over to Treasury Ministers, and I am sure that the Minister would wish to do that, so this is

supportive of her case to the Treasury. It seems to me that expenditure should be demand-led, not Treasury-capped and controlled. The idea that we would exclude people who are among the most vulnerable in our society because the money had run out seems to me absurd and wrong.

**Richard Graham:** The right hon. Gentleman makes his point with his usual passion. I will not offer a lecture to the Treasury on how they should provide and quantify the amounts of money for particular parts of the supported housing provision that the Government are looking at reshaping. At this stage, we are trying to register our concerns, as he has done, on aspects of the supported housing report that we feel are not yet reflected in the Government's position. We are also trying to encourage the Government, when looking at the response to the consultation, in which all these points will no doubt come up, to think widely—this is the great advantage of having the Minister in her new role—about what the Minister knows from her experience, and what I and other Members will share today from our experiences, about what works best on the ground.

That brings me to my last main point, which is about domestic violence refuges. Two really good points have been made. The first, made by the hon. Member for Sheffield South East, is that domestic violence refuges are slightly different because in many cases the individuals want to be out of the area—not just the parish, as my friend, the right hon. Member for Birkenhead, mentioned, but quite often outside the constituency in which the violence happened. However, they will not all want to go to the same constituency, of course; they will want to move to different places, not least depending on where they have family links.

I can easily recall a woman fleeing from stalking in my constituency who wanted to be very far away, not only because of her fear of the individual who had stalked her, but because she wanted to go with her young children to where her mother was, to receive that additional family support. The issue is not just one of national funding, or having a national network, but of access, and how that works practically. If somebody fleeing domestic violence wants to move, for the sake of argument, from Gloucester to Birkenhead to take advantages of family links there, how will that work in practice? I can imagine that such access could be difficult.

I know the new Minister has experience of domestic violence refuges; I think I am right in saying that she helped to set one up in her constituency. That side of the argument is about the importance of localisation, as the hon. Member for Sheffield South mentioned. These things are very often best done on the ground by people who know how to do them. Bishop Rachel of Gloucester, in her new role, has very much championed a refuge that the diocese has effectively provided in the centre of our city. That is a really good example of a local initiative that I certainly would not want ruled out as a result of a very top-down approach, led by the man or woman in Whitehall who knows best.

**Wera Hobhouse (Bath) (LD):** Does the hon. Gentleman agree that it is important that the full cost is met, so that local authorities do not end up with a shortfall? That is the most important thing that I am calling for as Liberal Democrat spokesperson for local government.



**Richard Graham:** I quite understand where the hon. Lady is coming from. That will always be a concern for all of us. The Minister knows, given her experience of running a local council, that local government is always concerned about money and the balance. No doubt she will say something about that.

All hon. Members have come to this debate in an open, warm-hearted spirit. This is not a party political debate; it is about finding a solution to a difficult problem that has plagued successive Governments for some time, and for which there probably will never be an absolutely perfect remedy, not least because there will never be an unlimited supply of money, notwithstanding the optimism of the right hon. Member for Kingston and Surbiton (Sir Edward Davey) about changing the Treasury's way of doing things. What we can do is further explore the report's recommendations to which the Government have not offered a complete response yet—no doubt they are waiting for the results of the consultation before doing so. Perhaps we can encourage the Minister to share some of her early thinking today.

I will finish by asking the Minister two questions. The first is about domestic violence refuges. Will she share a bit of her experience and her instincts about local initiatives by charitable, faith-led organisations that want to create local refuges for people who are happy to stay within a constituency? There is also the wider issue of how we help those who want to be a long way away, and how they can access refuges elsewhere.

My second question is about young people in supported housing, some of whom are put off looking for work by high rents and, sometimes, the impact of short-term employment on their benefits. Will the Minister share what she thinks the new funding model will do to change that? How will it give more support to such young people?

2.11 pm

**Helen Hayes (Dulwich and West Norwood) (Lab):** It is a pleasure to serve under your chairmanship, Mr Sharma. I am pleased to speak in this debate as co-chair of the joint inquiry into the future of supported housing. It was a pleasure to work with the hon. Member for Gloucester (Richard Graham) and members of both Select Committees on the inquiry. It was a privilege to co-chair the inquiry on a part of the housing sector that makes a significant difference to the lives of those who rely on it.

The inquiry heard extensive evidence from residents in supported housing in formal oral evidence sessions, informal evidence sessions and visits and as written evidence. I have also visited several supported housing settings, both in my constituency and further afield, to speak to residents and providers about their experiences on the ground.

Supported housing enables a wide range of residents who face particular challenges in life to live independently and with dignity, and it enables them to access the support they need. It delivers substantial savings to the public sector, which are estimated to be £3.5 billion each year. Without supported housing, many residents would end up more reliant on the NHS at a much greater cost, or in some cases in the criminal justice system.

The Government's approach to supported housing over the past two years has thrown the sector into disarray. The initial announcement that the local housing

allowance cap will apply to supported housing, followed by a year of uncertainty, caused providers to put 85% of planned new schemes on hold. Many providers stated that they feared that they would have to withdraw from the supported housing sector altogether because the funding simply would not stack up. Our inquiry clearly demonstrated the financial impact that the LHA cap would have on the sector. In particular, it highlighted the fact that the calculation of LHA, in relation to private sector rents for general needs housing in local housing market areas, made no sense at all for the funding of supported housing. There is no direct or necessary relationship between private sector rents in a given area and the cost of delivering supported housing.

I am pleased that the Government accepted that argument and announced last year both that the LHA cap would not apply to any type of supported housing, and that a new type of sheltered rent would be introduced to cover the cost of sheltered housing. I have spoken to several providers since that announcement, and although it is welcome, they have many questions about the details of the proposal. They are anxious to know how the formula for sheltered rent will work, which schemes will be deemed to be sheltered housing, whether there will be a separate sheltered rent rate for extra care housing, and what provision there will be for sheltered rent to increase to keep pace with inflation and increasing demands. I hope that the Minister is able to answer some of those questions today.

I want to focus on two remaining areas of the inquiry report and the Government's response. The first is the Government's refusal to accept the inquiry's recommendation to establish a national network of domestic violence refuges. Refuges are unique in the supported housing sector because to a large extent they serve women from outside the local authority area in which they are situated. The current system relies on local authorities' mutual recognition of the need for refuge provision and their willingness to fund provision that they know will not generally be used by local women.

The cuts to local government funding over the past seven years have put that arrangement under great strain. Many councils feel that they have no choice but to make cuts to their provision, which is creating a postcode lottery in many areas of the country. For example, there are no longer any domestic violence refuges in the county of Cumbria. Having looked carefully at the evidence provided by Women's Aid and others, the inquiry reached the view that the postcode lottery could be addressed only if the Government committed to establish a national network. Full devolution of funding to local authorities risks having the opposite effect. I therefore ask the Minister to reconsider the Government's rejection of that recommendation and to commit to working with Women's Aid to establish a national network of refuges to guarantee a place for every woman and child across the country who needs one.

**Frank Field:** That links to the point made by the hon. Member for Gloucester (Richard Graham). It is possible that the local initiatives that he praised so much will continue to operate, but they need funding. They are not dependent on local funding. Such measures often do not work unless they are supported strongly locally, but the funding is key.

**Helen Hayes:** I agree entirely with the sentiment that my hon. Friend expresses. We need to guarantee even, appropriate provision across the country. That is the problem we seek to solve, and so far there is no evidence that the Government's response addresses that concern in any way.

The second area I want to focus on is the funding of short-term supported housing. The inquiry report said:

"The Government is right to consider an alternative funding mechanism for very short-term accommodation, given the emergency nature of that provision and the inability of Universal Credit to reflect short-term changes in circumstance. The Government should consider a system of grants paid to local authorities so they are able to commission emergency accommodation in their areas."

That recommendation is clear. We were talking about emergency provision and the specific problems of universal credit, and we were seeking to avoid a situation in which providers end up chasing arrears arising from the universal credit claims process in relation to residents who no longer live in their provision. I was therefore very surprised that the Government chose to define short-term supported housing as housing provision for up to two years. I have spent considerable time since the Government's response was published speaking to a range of supported housing providers, and it is clear that the announcement raises more questions than it answers, and that there are very serious concerns about its implications.

I want to raise some of those concerns about the Government's approach to short-term supported housing with the Minister today. First, the implication of the Government's announcement is that short-term supported housing will move from being mainly demand-led, because eligibility for funding follows the individual resident, to a local authority commissioning model. That huge change raises many questions about the basis for commissioning. What guarantees will there be in relation to the range of provision that any given local authority will have to commission? What is to stop a local authority, for example, choosing to commission supported housing for people with disabilities but not for ex-offenders or people with addictions, despite there being a need for all types of supported housing in their area?

Secondly, once the supported housing has been commissioned, how will the local authority or the provider assess the eligibility for individual places, and who will have responsibility for that decision-making process and for reviewing decisions that go wrong and providing redress? There is a recognised shortage of supported housing across all types of provision, and in that situation decisions about eligibility can be difficult. How will the application and assessment process work for short-term supported housing under a commissioning model?

Thirdly, I am concerned about the level of funding and the lack of a mechanism for increasing funding. As I understand it, the proposal is for grants to be made to local authorities based on the housing benefit spend on short-term supported housing in the area. That will not capture the costs of support and specialist buildings, and it embeds the current shortage of supported housing into the funding system. It is not clear that, under that model, the Government will ever address the shortage or be able to keep pace with the increasing demands across many types of supported housing.

Fourthly, many providers of supported housing have expressed concern that the commissioning model will lead to an erosion of the housing rights of supported

housing residents: since residents will not be paying rent, they will not have a tenancy, and that leaves open the possibility of an individual's place in supported housing being taken away because someone with a greater need comes along, or because the relationship with staff at a particular scheme breaks down. There is no contractual basis to ensure the tenant's rights. Supported housing residents are often among the most vulnerable people in our communities, and if the Government change the way in which their housing is funded they must make clear how their rights will be protected and guaranteed.

Finally, many providers have told me that they believe a fundamental problem with the definition of supported housing is as housing for up to two years. Many of the best-supported housing providers work in a resident-focused way, so residents may live in their scheme for as long as they need. The same scheme may include residents who are there for one or two years, and others who are there for much longer. It may not be apparent at the outset how long an individual tenant will need to live in that particular provision. So the definition inevitably creates the problem of a cliff edge—the clock will start ticking at the start of the two years and, irrespective of how individual residents are doing, they and their family will know that at the end of two years they will face a crunch point in the funding of their home.

Providers of supported housing for people with mental health needs, including Rethink Mental Illness, have highlighted the particular challenges that the two years will present for people with mental ill health, whose recovery often relies on minimising sources of anxiety and creating an environment of stability. The risk is that, for many of those residents, a two-year cliff edge could itself make their health worse and set back recovery.

Those are not trivial concerns. The Government have proposed a major change to the funding model for supported housing of up to two years, without fleshing out any details. The result is that, following the two years of uncertainty that the Government have already thrust on the supported housing sector, providers are left with many questions and grave concerns about their ability to sustain the homes they provide to some of our most vulnerable residents.

I therefore hope that the Minister will take this opportunity to clarify the many unanswered questions, to listen to the concerns of the supported housing sector, and to produce a funding framework that will guarantee the provision we currently have and provide for an increase in supply to address shortfalls and cope with increasing demands. I end where I started. Supported housing is extraordinarily good value for money, and it is highly valued by those who rely on it. It is simply a false economy for the Government not to fund supported housing properly.

2.22 pm

**Mrs Madeleine Moon (Bridgend) (Lab):** I apologise, Mr Sharma, for the fact that I will need to get back to the main Chamber, and so cannot remain for the rest of this debate. However, I wanted to speak on behalf of my Emmaus community in particular.

There is only one Emmaus community in Wales, and I am fortunate to have it in my constituency. As many Members know, Emmaus was started in 1991. It provides accommodation, training and meaningful work for those

[Mrs Madeleine Moon]

who are homeless or especially disadvantaged. In 2015-16 Emmaus supported more than 1,100 individuals, 12% of whom moved on into employment. According to estimates by the New Economics Foundation, the return on every £1 invested in Emmaus is £11 in social, economic and environmental benefits. There are savings to the Department of Health on hospital and emergency admissions, to the Ministry of Justice from keeping people out of prison and reducing crime and reoffending, and to local government on hostel accommodation and drug and alcohol services. The stability and rehabilitation provided to Emmaus companions is crucial in enabling them to rebuild their lives and move into paid employment.

The chief executive of Emmaus South Wales, Tom Clarke, has talked to me about his very real concerns about the Government's new commissioning model, which he fears could undermine the excellent support Emmaus provides. There is a lot of concern about the uncertainty over the security and stability of funding for short-term accommodation providers such as Emmaus. It would be shameful if its work had to cease in 2020 because it could not secure the necessary funding.

The bulk of Emmaus income is generated from its core business activities of collecting, refurbishing and selling donated furniture and household goods. That brings in about £5 million per year. But Emmaus also needs the contribution of housing benefit—that is £5 million per year—to help transform the lives of the vulnerable people who rely on its support. Emmaus needs complete certainty that the ring-fenced funding for short-term supported housing will be guaranteed long term.

As I said in my intervention on the hon. Member for Gloucester (Richard Graham), there are major concerns about the definition of short-term accommodation and how it will impact on the likes of Emmaus. Emmaus's reading of the new proposals is that it would fall into the short-term accommodation category when seeking funding under the new system—"short term" being defined as a period of up to two years. About 20% of Emmaus residents stay for longer than two years, after which their funding from local authorities would stop.

It is crucial to ensure that the work of organisations such as Emmaus continues. Through work and training, Emmaus does so much to help people to rebuild their lives, to contribute to society while removing risk and threat for many of them, and often to regain links to their families, with whom they might previously have had a damaging relationship. I cannot say enough how tough a regime Emmaus runs—it is not a soft option; it is a tough thing to do and a hard way back into society, and the people doing it deserve our support.

Emmaus welcomes people with alcohol and drug addiction, or mental health issues, ex-offenders and those who struggle to function in mainstream society. The majority of people Emmaus deals with are former rough sleepers. There is no limit on the length of time an individual may remain in an Emmaus community, but those who are ready to move on are supported to do so.

Emmaus's pioneering approach saves the taxpayer money—we would be investing to save. Emmaus takes £9,000 in housing benefit for each one of its companions, whereas the cost to the public purse of one rough

sleeper for 12 months is estimated by Crisis to be about £20,000. That is a huge saving for the Treasury, which likes to save money.

We must learn the lessons of the practices implemented by Emmaus. If the Government are truly to meet their stated objectives of securing the supply of supported housing and strengthening the focus on outcomes and oversight, they should heed their own guidelines and look to support the Emmaus communities. It is essential that bodies such as Emmaus are not damaged by Government proposals. I am sure that the Government have no desire to damage Emmaus, but they might, unless they are aware of the unique Emmaus funding model. In return for work, people get food and accommodation, and Emmaus gives that in return for just one benefit, provided by the state: housing benefit.

2.28 pm

**Peter Aldous** (Waveney) (Con): It is a pleasure to serve under your chairmanship, Mr Sharma. The right hon. Member for Birkenhead (Frank Field) is no longer in his place, but I congratulate him and the hon. Member for Sheffield South East (Mr Betts) on securing this debate through their efforts, and those of their Committee members, to produce their groundbreaking and constructive report of 1 May 2017.

I welcome the new Minister, and pay tribute to her predecessor, my hon. Friend the Member for Nuneaton (Mr Jones), for his work over the past 18 months in helping us to move towards the goal that we are all striving for: that of putting the future funding of supported housing on a secure, sustainable and long-term footing. It is vital to do that if we are not to let down vulnerable groups, whether they are elderly, young, have physical disabilities, are fleeing domestic violence, or face mental health challenges and anguish. The demand for such care and support is rising, because we have an ageing population, and increasing levels of mental ill health and learning disabilities.

This is a difficult task, as the sector is made up of many sub-groups with different challenges and needs. It is necessary to do a lot of background work, to listen to the views of all interested parties, and to make proposals that will stand the test of time and help to secure much-needed investment in the sector.

It is important to recognise the good work that many people and organisations have done over the past 18 months. Providers, charities and their representatives have participated in consultations and have provided the Government, MPs, and peers with well-reasoned proposals. Credit is due to the Government for carrying out the first evidence-based review for 20 years, and for conducting two consultations in which they fully engaged with the sector. They listened to their concerns and have set up task and finish groups.

The Government have also provided a significant amount of money for supported housing schemes, such as the shared ownership and affordable homes programme, the care and support specialised housing fund, and funding for women and girls fleeing domestic violence. It is also important to recognise the very influential joint report of the Select Committees. They did a great deal of listening and thinking, and they have come up with constructive proposals that significantly move forward the complicated process of finding the right solutions.



It is appropriate to highlight the work that Lord Best, Housing and Care 21, Riverside, the Home Group and Hanover Housing Association did to analyse data from approximately 43,000 supported housing and older people's tenancies across the United Kingdom, to demonstrate that the Select Committees' supported housing allowance proposal represented a viable and workable approach.

**Richard Graham:** My hon. Friend has been doing a great job on this subject for a long time, as other Members have said. When Lord Best and the five supported housing providers, including Riverside, analysed some of that data, they were very supportive of the Government's principle that there should be some control of costs in the sector, and of having diversity in approaches, recognising that costs vary substantially across the country. We hope that that will be reflected in the Government's eventual position. Does my hon. Friend agree?

**Peter Aldous:** I do. That illustrates the point that the big challenge is in how to respond to local needs but not, as the hon. Member for Dulwich and West Norwood (Helen Hayes) said, create a postcode lottery effect.

The Government's revised proposals, which they announced at the end of October, were generally a step in the right direction. I hope that through the consultation that closes next week, it will be possible to address the outstanding concerns, so that the Government can arrive at a funding scheme that we can all support.

Like colleagues, I received many briefings before the debate, and I will highlight some of the feedback. The Home Group, which is active in the north-east, Cornwall and East Anglia, including Lowestoft in my constituency, advised me that the Government's October announcements gave it the increased confidence that it needed to get on with building supported housing services. It announced a £50 million investment package, which will commence in March, for three new supported housing schemes in Havant, Calderdale and Scarborough. It advised that the removal of the local housing allowance cap enabled it to commit to those developments, but it emphasised that it is vital that the detail of the new supported and sheltered housing funding proposals—such as the service charge cap—does not undermine the development of additional capacity, which we desperately need.

The Home Group believes that the overarching policy direction in this consultation is the right one; there is differentiation between short-term, sheltered and extra care, and long-term supported housing, which enables providers like it to design different funding mechanisms that cover legitimate costs. It recognises the diverse nature of its client groups in the sector. It stresses that it is essential that the three models work coherently alongside one another, as a pathway. As one of the UK's largest providers, it works nationally with customer groups that fall into each of the three funding models. A customer may come to a service due to crisis, and thus will be eligible for short-term funding; however, they may depend on long-term support. It is therefore essential that a customer can move seamlessly through the pathway, and that a single scheme can efficiently incorporate two or more of the funding models.

We have heard that providers' main concern with the proposals is about short-term housing. Those who have raised worries include the National Housing Federation, Anchor, Hanover Housing, Housing and Care 21, Riverside,

YMCA, St Mungo's, the Salvation Army, the Supported Housing Alliance, Rethink Mental Illness, and Emmaus, which has a community in Norfolk, near Bungay, which serves my constituency. The long list tells a story.

Riverside, St Mungo's, YMCA and the Salvation Army have highlighted three concerns. First, the ring-fenced local authority block grants do not provide the same protections and rights for those living in short-term supported housing as for those living in long-term supported housing. They regard that as a backward step and a return to an institutional model. Secondly, they highlight that the proposed policy is moving in the opposite direction from universal credit, which seeks to encourage independence, with claimants managing their own housing costs. Thirdly, they point out that a discretionary local funding system would not provide the assurance required by providers seeking either to develop much-needed new schemes or to invest in the necessary upgrading and repairing of facilities.

Generally, funders lend on a 30-year basis, and the current model of benefit-backed rental income has enabled the sector to borrow significant sums at highly competitive rates. In contrast, local authority contracts normally last between three and five years only; that will not provide the necessary security of revenue to obtain private finance. There is no guarantee that ring fences will remain in place; indeed, recent history suggests that they are dismantled pretty quickly.

Fourthly, although authorities already commission services that reflect local needs, the proposals will extend this commissioning approach to housing costs, including rent and service charges. That will make providers completely reliant on local authorities for all funding. There is a worry that housing providers' loss of independence will undermine sector viability and stifle innovation. Already, an example has been brought to my attention of a local authority specifically requesting, in tenders, that housing costs be reduced.

Finally, the organisations point out that establishing a new funding system for short-term supported housing requires complex arrangements that impose expensive administrative burdens and bureaucracy on local authorities. Their alternative proposal, to which I urge the Government to give serious consideration, is threefold. First, they propose that housing costs remain in the welfare system. Secondly, instead of devising a complicated new funding system, the Government should review the administration of universal credit, and in particular the speed with which claims are administered, so that it can work better for cases of short stays. Thirdly, in services where the typical length of stay is such that universal credit cannot cover housing costs—for example, where the stay is a matter of days or weeks as opposed to months—localised funding should be an option. This localised funding model could help with the wait for housing costs to be met during the initial assessment period.

There has already been mention in the debate of the need, highlighted by the National Housing Federation, to tighten the definition of short-term services in the consultation paper. It is very wide and should be tightened, so that it is clear that the local system covers short-term emergency accommodation, where people stay for a period of weeks, rather than months. That would be in line with the recommendation in the joint report, and it would make the system fit better with universal credit.

**Wera Hobhouse:** Does the hon. Gentleman share my concern that if we look too much at how to get a saving out of the service, and look at other local authorities, we miss the fact that services for short-term supported housing are extremely good value for money, because they are preventive and they help people to find help before their issues worsen?

**Peter Aldous:** The hon. Lady is right. It has been said before that if we get the supported housing right, we save the national health service money. As ever—we are always making this plea—the Government need to break out of departmental silos and think holistically. I am sure that the Minister, in her new position, will take a sledgehammer to those silos.

I would like to highlight feedback I received from the Professional Deputy Service, which is based in Suffolk and supports individuals who lack the capacity to manage their property and personal affairs. In its response to the consultation, it emphasised the importance of the most severely disabled people with housing needs being brought into a local strategic planning and provision process. I will look to facilitate that in the coming months by working with the Professional Deputy Service, local councils and housing associations.

The partnership between the supported housing sector, Parliament and the Government is moving in the right direction in putting in place a long-term funding framework for supported housing, but there is clearly still work to do to address the significant drawbacks of the proposals for short-term accommodation, to properly synchronise supported housing processes with those of universal credit, and to provide the seamless journey articulated by the Home Group. We need to complete that task, which is so important to the dignity and wellbeing of a diverse, often vulnerable but very important group of people.

2.41 pm

**Mohammad Yasin (Bedford) (Lab):** It is an honour to serve under your chairmanship, Mr Sharma. I will be very brief; as I said when I apologised to you earlier, I have to leave to go to a funeral in Bedford.

I share the concern outlined in the Select Committees' joint report that the Government do not seem to be aware of the impact of their funding proposals on the supported housing sector. Some vital support services—often those for the most vulnerable—depend on discretionary funding from local authorities. The homelessness charity Emmaus provides a home and meaningful work to more than 750 formerly homeless people across the UK. It has a community in Carlton, about 10 miles from my constituency, and has helped many rough sleepers in Bedford. The chairman of its board, Frank McMahon, recently wrote to me to outline his concerns about its future.

Much support for homeless people provides them with only a bed for the night and a hot meal. The next morning, they are back on the streets. The Emmaus model is sustainable and yields fantastic results. Many of the men and women who join an Emmaus community are not job-ready, but they gain skills and experience that often help them to gain employment when they move on. Although the Government's proposals state

that funding for supported housing costs will be ring-fenced, there is real concern that that will be difficult to guarantee in the long term.

Many supported housing providers have faced severe financial hardship since the removal in 2009 of the ring fence for the Supporting People programme. It is imperative that funding for housing costs does not follow a similar path. Introducing competition for funding for women's refuges or schemes such as Emmaus is risky and short-sighted. Providing housing is very different from running a service, yet someone who read the report might think the Government were talking about commodities, not vulnerable people with complex problems and past traumas to overcome.

A Women's Aid survey of refuge providers found that a one-size-fits-all funding model for short-term accommodation would force more than half of refuges to close or reduce their provision, resulting in 4,000 more women and children being turned away from the life-saving services they desperately need. Removing short-term accommodation from the mainstream benefits system would mean that residents in supported accommodation no longer had a right to claim housing benefit, and removing the financial underpinning of a rent agreement between landlord and tenant would risk undermining residents' security. Rather than adopt a localised commissioning model for supported housing, the Government should use existing housing benefit arrangements as the basis of a new funding model, with enhanced regulation, auditing and cost control.

2.44 pm

**Mr George Howarth (Knowsley) (Lab):** As ever, it is a pleasure to serve under your chairmanship, Mr Sharma. I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts) and my right hon. Friend the Member for Birkenhead (Frank Field) on the work that has been done on this important issue.

I am sure that I am not alone in having been contacted by constituents who support St Mungo's. It is worth quoting something that they said in their letters:

"People who are homeless should enjoy the same level of security as those with long-term needs, and therefore should have their housing costs met through the welfare system wherever possible. The current proposals leave them with less security than those in long-term supported housing or private renting, as they must rely on local funding based on estimated need rather than claiming benefits directly to pay their rent."

That shortish sentence sums up well the dilemma that we face with short-term housing. I intend to confine my remarks to short-term supported housing, because I think there is an emerging consensus that that is where the problem lies.

First, I pay credit to Riverside, which has been cited on more than one occasion, and in particular to Jenny Luckett, for its briefing. I should point out that any errors of fact or misjudgments are mine, not Riverside's. This issue is important to Riverside, because it currently has 2,600 bed spaces in short-term accommodation, which accounts for 64% of its supported housing. Obviously, it has a significant stake in the Government's proposals, as do the people who rely on it for those services.

I will raise four issues and then make four suggestions to the Minister. By the way, I congratulate her on her new responsibilities. I apologise that I will not be present

until the end of the debate—I need to go to a constituency engagement—but I shall read her response with great eagerness tomorrow.

The first criticism that housing associations make is that the Government's proposals are a lost opportunity to prepare tenants to engage with the welfare system and develop a direct relationship between their housing costs and their personal budgeting. Given the way it is proposed the system will work, that relationship will be broken.

Their second criticism, which others have made more fully so I will not labour the point, is that tenants in short-term supported accommodation will lose basic rights. People already find themselves in difficult positions only to find that they have fewer rights than others in different circumstances. Surely, we do not want that situation to get worse.

Thirdly, Riverside makes the point that providers will lose independence because of the way it is envisaged local authorities' commissioning role will work. Control over things such as cleaning, the provision of heat, light and power to common areas, and paying the mortgage will, to a large extent, be taken out of providers' hands. Riverside believes that, in the long term, that loss of independence may undermine the viability of providers and stifle innovation.

Fourthly, there is concern about the impact of the proposed changes on the growth of the sector. I will not labour that point because it has been made by others, but lenders in some such schemes have great concerns and say they will have problems with lending on some schemes in the future. If that is the case, it is a problem that clearly needs to be addressed.

In concluding, I will make four quick points. First, the default position for all supported housing, including short-term, should be that housing costs should remain in the main universal credit system, allowing the Government to meet their wider policy aim of moving everyone on to a modernised welfare system. Secondly, the Government should review the administration of universal credit, in particular the speed with which claims are administered, so that it works better for tenants living in supported housing. That point was made in different ways by others, but I am sure the Minister will agree it is important.

Thirdly, providers should be able to opt into a localised scheme based on a grant system for the small number of schemes where the typical length of stay is such that it will not be possible for tenants to establish universal credit claims to cover their housing costs. Finally, any staffing costs currently met through housing benefit that cannot be met through universal credit under the revised service charge eligibility rules should be met as part of the local authority-administered grant system. Such support from dedicated staff often makes the real difference in moving on to something more suitable and, after traumatic experiences, enables people to get their lives in order.

Those are the points I want to make. I know the Minister will listen carefully, and I apologise again to her and to my hon. Friend the Member for Great Grimsby (Melanie Onn) for not being here for their winding-up speeches. I hope the Minister will take into account the important points made by so many during the debate.

2.52 pm

**Alex Norris** (Nottingham North) (Lab/Co-op): It is a pleasure to serve under your chairship for the first time, Mr Sharma, and to engage with the new Minister for the first time, too. She and I share a couple of things in common. We share a background in local government, but we also come to this place from the east midlands. In the east midlands, we are very practical and pragmatic people, and it is that practical and pragmatic side of the Minister that I intend to appeal to today.

I congratulate the Work and Pensions Committee and the Communities and Local Government Committee on their excellent joint report. When I read it, I find it impossible not to note the date it was published: 25 April 2017, when I was just a twinkle in the eye of the Nottingham North electorate. I say that not for the journey down memory lane, but because when I was preparing to speak I looked around the Chamber and noted colleagues in their places, including my hon. Friends the Members for Bedford (Mohammad Yasin)—who is no longer in his place—for Blaydon (Liz Twist), for Weaver Vale (Mike Amesbury) and for Ipswich (Sandy Martin). All of us are new and we all come from local government. It is no surprise that any of us would make supported housing a priority in our early months, because it is incredibly important, and it does not take much time in local government to grasp its impact on 700,000 of the most vulnerable people in our society.

Whatever we do in the changes we make, we ought to be careful. I welcome the Government's intention to find a long-term sustainable funding mechanism, but we need to understand the impact that even tiny alterations make and we must be wary of unintended consequences.

I rise to talk about merely 1% of the changes—the Minister will be pleased to hear that she will get only a hundredth of the speech of which I am capable—which is the 1% that relates to domestic violence. I am concerned about possible unintended consequences. It may be only 1% of the funding, but it is an extraordinarily high-impact element of public funding, and the stroke of a Minister's pen can unwittingly close a refuge, when failure to get into a refuge could be life-or-death on that night for an individual.

Mr Sharma, I am sure that you, the Minister and all Members the Chamber follow my contributions avidly, so you may be aware that I raised this topic in a debate on refuges on 12 December. I also raised it in my first question to the Prime Minister, on 13 December. I make no apologies for a little repetition of that material, because we are reaching a crunch moment.

As the consultation comes to a close on Tuesday, I will be at No. 10 with Women's Aid and others to present a petition with 130,000 signatures. Now, however, is a moment for Ministers and all hon. Members to be clear about our direction and what change we ought to make. I hope to encourage the Government to make an exceptionally timely change now, and there is a real opportunity for that by removing this tiny fraction from their proposals.

Why do I suggest that? It has been mentioned by others, including my hon. Friend the Member for Sheffield South East (Mr Betts) in his excellent opening speech, that the strength of domestic violence refuge provision lies in having a national network of refuges. It does not take a great leap of the imagination to understand that,



[Alex Norris]

when a survivor needs to flee her abusers—it is mainly women—she may need to flee a great distance from where they live. Women’s Aid research shows that is the case in more than two thirds of instances.

It is not that there might be a need for a national network; there absolutely is a need for a national network, because the vast majority of the time an individual in one location will need to go to another. An individual in Nottingham actually has a greater interest in what decision makers are doing in Birmingham at the moment than in what is happening in Nottingham. Locally devolving funding knocks into tiny pieces a complex ecosystem of resources and threatens the good operation of services.

There is a compelling case for the service to be national, not local. That is not just my conclusion or that of Women’s Aid, but the substance of the report, both in paragraph 105 and conclusion 20. The report states the “unique challenges” that the sector faces, but there is more to it.

I am a big fan of local devolution. It is probably a common trait of those who have spent time in local government that we feel we could do more if given the opportunity. I am also, for my sins—I do not talk about this often because there is no credit in it, only blame—a wily veteran of local authority commissioning. I led on commissioning in Nottingham for three years, and if I were still in that role I know how I would handle a devolved pot: I would seek to reduce my unit costs by creating an economy of scale. There is no great science to that. However, with regard to refugees, I would handle that in one of two ways. I would either try to granulate the funding to work out which bit is for refugees and commission individually, in which case I have lost all the value of the economy of scale, or—I fear there is a growing trend towards this; there was when I finished last June—I might put my refuge provision into the general pot and explore dispersed tenancies rather than refugees as a way to house these people who really need help. There is energy in that direction not just in Nottingham but up and down the country, but it is very early days for that research, and I would not want to see a change here that makes that a fashion before we truly understand what it might mean. I certainly would not encourage that direction.

[SIR GRAHAM BRADY *in the Chair*]

We know what Women’s Aid says about the potential impact of the funding change: perhaps up to half of the refuges that responded to its survey may have to close or downsize as a result. We are talking about a high impact. There is a compelling case to extract the money nationally and for Ministers to commission a national network. That would get the economies of scale and give us joined-up provision. The excellent report, at conclusion 20, says that the Government should work with the sector to devise a new national model, and I wholeheartedly agree.

This pragmatic new Minister has a great opportunity. It is the perfect moment, because late this year we will be availed of two wonderful opportunities. The Government have already announced that by November refuge funding is to be reviewed, and by the end of the year we will see new domestic violence legislation, which Members across

the House await enthusiastically. This is a great moment for the Government to grasp this issue, pull it out of the changes and wait for that moment at the end of the year, work with the sector as suggested and come out with a funded, planned and effective national network of refuges. I believe that is the moment we have arrived at. Two Select Committees, Women’s Aid and the domestic violence sector, more than 130,000 people via an online petition and so many others are urging Ministers to take that new course. If they do, I think we will get something truly valuable out of it. I commend the report and that change of action, and I hope the Minister will too.

2.59 pm

**Lilian Greenwood** (Nottingham South) (Lab): Sir Graham, it is a pleasure to serve under your chairmanship this afternoon. I join colleagues in welcoming the joint report between the Communities and Local Government Committee and the Work and Pensions Committee on supported housing, and congratulate them on securing this debate.

A safe, secure and supportive home can be the key to improving or repairing lives and to unlocking people’s potential, as has already been acknowledged. Supported housing helps hundreds of thousands of the most vulnerable people across the country to live independently or to turn their lives around. That is why it must be a priority for all of us in this House.

I welcome the Government’s change of heart on funding for longer-term supported housing, but I remain extremely concerned, along with many of my colleagues, about the funding and provision of short-term supported accommodation services with a target length of stay of up to two years. As my hon. Friend the Member for Sheffield South East (Mr Betts) said in opening the debate, the Committee’s concerns about funding for emergency accommodation should not apply to that wider provision. Short-term supported accommodation providers across Nottingham are telling me that “the Government obviously feels it has listened and taken account of what providers have been saying.

Unfortunately though, the problem is not solved for providers like us who offer short-term supported housing. If anything, the new proposals...are worse than the previous one.”

Notwithstanding the reassurances offered by the Government in the consultation, they are leaving this sort of accommodation in a vulnerable position. Local providers do not know how the localised funds will be distributed and there is no guarantee of what will happen to them over time. They are worried that, even within a ring fence, local authorities—whose budgets are of course under extreme pressure as a result of seven years of austerity—will have to reallocate funding to align it better with their statutory obligations.

Nottingham Community Housing Association has told me that, as a landlord that operates across the east midlands region, covering several local authority areas, it is concerned about the proposal for a locally administered pot. It says that the expertise in housing is not held with upper-tier authorities, and it is worried about the correct sizing of the pot. In addition, it says that the locally administered pot is likely to be subject to different requirements in different local areas, so a landlord such as NCHA will have the apprehension of dealing with not one approach to housing costs, as in the current

model, but with several different approaches across the region. NCHA is worried that the outcome will be increased costs in the management of such arrangements and potentially differing levels of housing management services procured across the region, resulting in a postcode lottery for residents.

I am sure that the Minister will agree that if unnecessary procurement and commissioning achieved poorer value for money, it would not be good. Of course, housing costs are already subject to scrutiny by housing benefit teams, the local market in respect of self-funders—particularly in the case of sheltered accommodation—and through the value for money standard, which is a significant feature of Homes and Communities Agency regulation. Adding a new level of administration to local government will increase costs without directly benefiting individuals or the public purse.

Currently, providers are able to move quickly to meet unmet housing need without having to go through local government procurement channels. As an example of that, to ease the pressures of homelessness this winter, NCHA reopened a recently closed care home as a much-needed temporary accommodation service for couples and families who are homeless in Nottingham. They did so in consultation with the city council and in a matter of weeks. Under the proposed arrangements, such flexibility could be lost. The service would need to be commissioned and funded from a pot that has potentially had its entire allocation accounted for and is therefore empty.

I will say a little bit more about some of the local services and how they will be impacted. Last year I visited the Stephanie Lodge step-down mental health service in Radford in my constituency, which provides outstanding care and support for up to 10 residents leaving in-patient psychiatric care. Again, that is an NCHA service, and NCHA is concerned that under the current proposals residents at Stephanie Lodge will lose their automatic entitlement to housing benefit or the housing element of universal credit.

Holly Dagnall, director of homes and wellbeing at NCHA, told me that

“whilst rolling up housing costs with care and support costs to be met by a locally administrated ‘pot’ might be helpful for those in our services who wish to work, the reality is that most if not all of our residents are a significant distance from the workplace, having moved to Stephanie Lodge from acute mental health in-patient services. NCHA believe that this is the only potential upside of the current proposals and that in reality this is an upside which will not be relevant to the vast majority of our residents at Stephanie Lodge.”

NCHA is anxious that

“the loss of automatic entitlement to housing costs being met for the individual means that the service is at risk of insufficient funding being made available to fund the important, statutory and legal housing management functions required to ensure that landlord duties are adequately discharged in the provision of safe and secure accommodation”

for tenants who are, as I am sure the Minister will appreciate, very vulnerable.

Short-term supported accommodation providers in Nottingham tell me that they would like to see housing costs remain within the benefits system as the housing element of universal credit, whether that is for services like Stephanie Lodge or others, where residents are likely to live for between six months and a year. They

believe that that is possible to administer and provides the best assurances for both landlords and service providers, and people in receipt of the services. It will also provide housing cost assurance for new developments, meaning that providers will be able to proceed with greater confidence in providing much-needed support for vulnerable people in my constituency.

In addition to the concerns expressed to me by providers, I have been contacted by residents across Nottingham South, who have told me how living in supported accommodation has changed their lives. One former service user, Katie, who was supported by Framework—I do not know if the Minister is aware of it, but it specialises in homelessness and homelessness prevention across the east midlands—spoke of the transformation that supported housing has created for her. She said:

“I was homeless before I moved here. It was scary because I didn’t know what was going to happen. I felt powerless. I’ve been here for three or four months and it’s been great... It’s been great to have a roof over my head but it’s also taught me a lot about life.”

She explains how having to pay rent and bills for the first time has been an education and helped her to grow up and realise she could live alone in the future. Short-term supported housing is essential to help people like Katie to move on with their lives, but they also have to have somewhere to move on to within the housing system. Framework has told me that one of the reasons people cannot move on is that hostels are full and there is nowhere for people to move on to, which is creating a backlog of unmet need.

In his final budget, George Osborne announced a £100 million capital fund for the development of move-on accommodation. It later emerged that 50% of the fund was earmarked to be spent in London, leaving only £50 million for the whole of the rest of the country, even though local authorities in the midlands and the north now face greater numbers of people sleeping rough than in London, and the rate of increase is faster. Concerns have been raised with me about that programme, and indeed were raised with the Minister’s predecessor, by Andrew Redfern, the chief executive of Framework.

Andrew Redfern was told by CLG officials that the programme was likely to be launched in the autumn of 2016. While it was launched by the Mayor of London on that date, there has still been no indication of when and how the £50 million for outside London can be accessed. What is the hold-up? Can the Minister tell us today when we can expect to see that much-needed funding made available for local authorities to bid for?

My hon. Friend the Member for Nottingham North (Alex Norris) and other hon. Members have already spoken about the dangers that the Government’s proposals present to domestic violence refuges, including our own local provision. This is incredibly serious, given the pressures that we know are already in the system. Every year the refuges run by Women’s Aid Integrated Services in Nottinghamshire turn away one in 10 women due to lack of space. That is not a problem localised to Nottingham. Demand for refuge places remains sky high across the country. Nationally, 60% of referrals were declined in 2016-17. Shockingly, on just one day this year, 90 women and 94 children were turned away. Any change in funding that endangers their future is extremely worrying.

[Lilian Greenwood]

Clearly, we should do even more to support the refuges for women fleeing domestic violence. As my hon. Friend the Member for Bedford (Mohammad Yasin) said, there is the potential for devastating consequences arising from the proposals as Women's Aid estimates that half of refuges may have to close or reduce their provision. So we have been warned. The move to a local model is deeply flawed. According to the information that I have had from local refuges, two thirds of the women flee to a refuge outside their local area, and that is backed up by what is happening. Nationally, Women's Aid is issuing an SOS call to the Government—I know the Minister is listening—to secure a sustainable funding solution for what are literally life-saving services, and I stand with Women's Aid in making that call.

I am pleased that locally there has been a strong commitment from both Nottingham City Council and Nottinghamshire County Council to fund our refuges. Currently, five out of the nine refuges in the county are commissioned by them. However, one refuge in the city area and three in the county receive direct DCLG funding, which runs out over the next few months. Women's Aid Integrated Services has told me it is unclear what will happen to those four refuges. Locally, that leaves us facing the loss of 112 bed spaces accommodating 21 families at any one time. One of those four refuges is set to close at the end of March. That particular refuge is one of a small number of refuges in the country that can accommodate women with large families, women with older male children and women with complex needs for whom the usual shared refuge is not suitable. The refuge has six houses with 37 bed spaces, and the largest house can accommodate a family with up to eight children. One more Nottingham refuge that accommodates women with complex needs is also facing a very uncertain future. The loss of any beds and spaces will put intolerable pressure on the rest of the system.

Val Lunn, CEO of Nottingham Women's Aid Integrated Services, said:

"The Government is planning a new Domestic Violence and Abuse Bill...to protect survivors"—

which we certainly welcome—

"but this is neither use nor ornament if refuges close because of the proposed changes to funding...Refuges save the lives of women and children trying to escape domestic abuse. These plans threaten to take us back to the bad old days of the 1970s."

I know the Minister will not want us to go back to those days. I urge her to take account of the considerable concerns among providers on the front line and to work with Women's Aid to find a solution.

The Minister's predecessor took account of the concerns of providers and of the Select Committees' views on long-term supported accommodation provision. I, in common with colleagues today, am raising concerns about short-term housing provision. It is time for her to listen to the experts again.

**Sir Graham Brady (in the Chair):** Before I call the next speaker, it might be helpful for me to say that I hope to move on to the winding-up speeches by 10 to 4 at the latest. Three speakers have indicated they would like to

take part, so if they can try to keep themselves to around 10 minutes each, I will not need to impose an official time limit.

3.14 pm

**Mike Amesbury (Weaver Vale) (Lab):** It is a pleasure to serve under your chairmanship, Sir Graham. I congratulate my right hon. Friend the Member for Birkenhead (Frank Field) and my hon. Friend the Member for Sheffield South East (Mr Betts) on securing this debate and on all the work that they have done. I welcome the new Minister to her place—a pragmatic Minister, I hear.

Housing policy is complex. It is not easy and not always universally popular. It is tricky for Governments of any colour to develop policy, but we can consider the end result in fairly simple terms. Is it the right thing to do and is it better than what went before? When it comes to the proposals for the Government's definition of short-term supported housing, charities, users and service providers are telling me, as have Members in this Chamber and beyond, that the answer is a plain and simple no. Indeed, on the test of whether the policy will make things better, it fails in relation to housing provision and tenants' rights, and pretty quickly it will have a knock-on effect on other services such as the NHS.

Before I explain why, I accept that there are some things that the housing providers who operate in my constituency and elsewhere welcome. They tell me that the Government have done the right thing on LHA and by recognising the higher costs of sheltered housing and extra care housing. That is to the Government's credit. However, a Government that accept praise when they do the right thing must also listen to experts when they criticise them—constructively—too.

Housing providers tell me that the move to the defined short-term local authority grants not only has the potential to be damaging to the sector in future, but is already causing 85% of new schemes to be put on hold. Even if we accept that the local authority grants will be ring-fenced—the evidence suggests they will not—can we blame any housing association for being cautious, knowing what pressure there is on local government finances and, as my hon. Friend the Member for Nottingham North (Alex Norris) mentioned, bearing in mind the complexity of local government finances as well?

The consequences reach beyond the issue of housing numbers alone. My hon. Friend the Member for Sheffield South East referred to this. There are serious implications for tenants' rights and the broader health and social care sector. Local authority grants do not provide the same protections and rights for those living in short-term supported housing as those living in long-term schemes. Service users will no longer enjoy the same rights as tenants. The situation is described by Riverside and Women's Aid, who operate in my constituency and elsewhere, as a backward step. Many people who access such housing are already marginalised from society on multiple levels. Removing tenancy rights not only makes matters worse, but sends a signal that our services and our society define users as short-term problems, not as equals. On the question of whether it is the right thing to do, the answer again must surely be no.

Finally, when it comes to the test of whether the policy will make things better for services such as the NHS and social care—we have already referred to



women's refuges—yet again the answer is no. Short-term accommodation provides emergency support for those who have been through a crisis: the homeless, victims of domestic violence, people with mental ill health, and those dealing with drug and alcohol dependency. Social care, our NHS and homelessness are already at crisis point. A policy that reduces the chance of vulnerable people having a safe place to stay will only make matters worse.

In the current climate it may be unwise to predict politics. However, I fear that 12 months down the line the effects of these policies being enacted will be a topic of debate yet again, with the most vulnerable in our society paying for the consequences of a poorly shaped policy. My message to the Minister is this: no individual contributing to this debate here and beyond has every single answer to every question. But collectively, the Minister included, our housing associations, our charities and our service users have the knowledge and the ideas to develop a better approach than the one that is currently planned. Listen to what they say. It is in all our interests, so please respond pragmatically.

3.20 pm

**Sandy Martin** (Ipswich) (Lab): It is a pleasure to speak under your chairmanship, Sir Graham.

In their response to recommendation 3 of the joint report, the Government state that they are committed to boosting the supply of supported housing, but already there are supported housing schemes that have closed as a result of changes to the funding arrangements over the years. We are talking not just about supported housing for older people or disabled people. In Ipswich we had a Foyer for vulnerable young people, which was opened in 1997—one of the first fruits of a Labour Government and a Labour-run county council. The Foyer catered for up to 44 homeless young people from 16 to 24 years of age, many of them looked-after children who were no longer willing or able to live with foster parents. Those are precisely the sort of young people for whom significant investment at an early stage will make a life-changing difference.

The building was a disused warehouse, which was completely gutted and converted. It was, in effect, built for the purpose at significant capital cost. It provided accommodation in a supported setting, with 24-hour support, life training and counselling. There was also a range of training to help the young people gain employment. The provision covered money management, cookery and the search for independent housing, advice on benefits, help in getting treatment for substance abuse, and work training and voluntary work experience.

The Foyer for Ipswich now stands empty. There are substantially fewer places for homeless young people in Ipswich than there were a year ago. Circle Housing, which took over its running, said it could no longer afford to subsidise it. The county council, which is of course now Conservative-run, refused to meet the difference between the cost of provision and the amount that the Government were willing to make available. It was claimed that the young people could move into the local YMCA and that none of them would be thrown on to the streets, and it is true that that happened. However, there is an absolute shortage of places for homeless people in Ipswich and the closure of the Foyer has

added to that shortage. For every young person who is in the YMCA rather than being in the Foyer, a place is no longer available in the YMCA for another young person who might have taken it.

The young people in question will not receive, at the YMCA, the support, counselling or training that the Foyer could provide. I do not believe that the Government response to the joint report recognises what flexibility is needed in the range of funding required for vulnerable people with such a wide range of needs. A substantial level of funding administered through local government would provide that flexibility but also entail a range of expectations for the councils to be held to, as well as requiring a regime of local government funding that would not force councils to pick and choose which statutory duty they could afford to take more seriously than another.

The alternative—possibly a more achievable one—is to plan a national network of hostels for homeless young people in need of additional support, as has been proposed for women's refuges. The Minister should bear in mind that enough funding is needed, but also that it should be provided in such a way that there can be a full range of provision—not just the least expensive form—and securely enough to create the confidence necessary to plan for that full range of provision.

So long as supported housing facilities such as the Foyer for Ipswich continue to close, the Minister can be sure that the Government have not got things right.

3.24 pm

**Liz Twist** (Blaydon) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I declare an interest as a current member of Gateshead Council. I am a member of the Communities and Local Government Committee. I was not a member when the report was produced, but I was when we considered the Government's response. Before I came to this place, I was a housing portfolio holder, so I tracked the issue with great interest.

I want to raise several matters. First, it was good to hear that the Government are not pursuing the local housing allowance in relation to supported housing and social housing generally. That removed a good deal of uncertainty from a huge proportion of our sheltered housing stock—about 71% of stock—so it was a positive move, although we still need to see what comes out of the proposals on sheltered housing rent. My thanks are not unqualified, therefore, but the move was welcome.

Secondly, on the provisions for short-term and transitional housing, as other colleagues have said, the Joint Committee's report discussed very short-term and emergency accommodation. The situation seems unclear; I was going to say it mixes apples and pears, but perhaps it is more like mixing apples and lemons, because of the wide range of diverse provision covering different needs, which might involve different funding elements and methods of funding. Members have identified many issues and I will not go over them all. However, there has been mention of funding for schemes of up to two years. Given the different groups that use the accommodation, from homeless people with an urgent and immediate need to people facing drug and alcohol rehabilitation following a crisis, there are different needs that should be taken into account.

[Liz Twist]

The issues that are thrown up have already been referred to by housing associations and other organisations. From the providers' point of view there is continued uncertainty as to funding of the relevant part of the market, and they feel that that will stifle development. Hon. Members have referred to the desperate need for increased provision for such supported housing across a wide range of groups. We know that the uncertainty has already stifled development, because of the local housing allowance debate and the wait for a decision. We cannot afford further delays in the provision of additional accommodation of the kind in question. There is concern that local authority contracts may be as short as three to five years, and that all the uncertainty, along with the fear that funds that may be ring-fenced to begin with may not be permanently ring-fenced, will create a problem and stifle the development of new schemes. It is a practical problem.

The impact on people—tenants—has also been mentioned. They will not get the same benefits in relation to tenancies as they may have got previously, and will be subject to a different regime.

As I have said, we know that the local housing allowance consultation stifled development, and we cannot afford for that to happen again. Organisations that have been mentioned in the debate, such as Riverside, the YMCA, St Mungo's and the Salvation Army, have clearly pointed out the problems in briefings that they have circulated. I have no doubt that they have presented them to the Government as part of their response. I hope that the Government will listen to their comments and think again. I know that a number of organisations have suggested alternative funding models for the future.

Many hon. Members have referred to domestic violence, and we have heard that the proposed funding model will limit access to appropriate provision for women fleeing domestic violence. Already we know that the number of places in refuges has been reduced, and we have heard practical examples of that.

We need a funding mechanism that works—and that works for women and those fleeing domestic violence—and that ensures that no woman is turned away from a refuge when she needs it. We also need a mechanism that does not impose local authority boundaries when people may need to cross those boundaries to ensure their safety and security, and that of their family. I ask the Minister and the Government to look again at a national scheme that allows for that freedom and that ensures that those services are there. I hope the Minister will take these points on board—they are clearly shared by Members from all parties that have been represented here—and seek to provide practical and positive solutions to these very real issues.

3.30 pm

**David Linden** (Glasgow East) (SNP): It is a delight to see you in the Chair, Sir Graham. I start by congratulating the Minister on her promotion; very best wishes from a current Whip to a former Whip. The Ministry of Housing, Communities and Local Government's gain is the usual channels' loss.

I commend the Committees on this excellent report. My hon. Friend the Member for Glasgow Central (Alison Thewliss) participated in the inquiry during her time as

a member of the Communities and Local Government Committee. I know that she is very sad not to be on that Committee anymore; she has since been lumbered with me on the Procedure Committee, which is incredibly exciting. I am conscious that it is a Thursday afternoon, so I will not seek to detain the House for very long.

I pay tribute to and thank the 13 Back Benchers who spoke for their very good speeches. They include the right hon. Members for Birkenhead (Frank Field) and Knowsley (Mr Howarth), and the hon. Members for Sheffield South East (Mr Betts), for Gloucester (Richard Graham), for Dulwich and West Norwood (Helen Hayes), for Bridgend (Mrs Moon), for Waveney (Peter Aldous), for Bedford (Mohammad Yasin), for Nottingham North (Alex Norris), for Nottingham South (Lilian Greenwood), for Weaver Vale (Mike Amesbury), for Ipswich (Sandy Martin) and for Blaydon (Liz Twist). It has been a fairly consensual debate.

I have to say that, as a Scottish MP, I approach the issue with the view that the UK Government must ensure that their plans work for people across the UK, taking into account the specific needs of Scotland. We in the Scottish National party welcomed the UK Government's climbdown on applying the local housing allowance to the social housing sector, which includes supported housing. I am sure that I speak for all right hon. and hon. Members in saying that the supported housing sector does amazing work supporting some of the most vulnerable people in our society, particularly as they seek to live independently.

The new funding model for short-term supported housing proposes devolving funding to Scotland from 2020, and it is therefore vital that the future funding model works for the people of Scotland. The report makes some sound suggestions for the future of supported housing, but I also very much hope that the UK Government will ensure that they consider the views of key stakeholders.

I have already mentioned my party's welcome for the climbdown on the application of LHA to social housing. That announcement is positive because it comes as a major relief to renters in the social sector, as well as to supported housing providers. I pay particular tribute to my friend and colleague in the Scottish Government, Kevin Stewart MSP, who wrote, jointly with the Convention of the Scottish Local Authorities, to the Department for Work and Pensions to call for that reverse in policy.

Imposing the LHA on the social rented sector would have a devastating impact. Research carried out by the Chartered Institute of Housing found that the total rent shortfall for single under-35s alone caused by the shared accommodation rate could be £8.6 million a year. The sector has done fantastic work in campaigning against this cut and informing and lobbying Her Majesty's Government about the major damage that it would cause to renters and providers.

It is concerning that the Government made that announcement only because they were forced to answer to the House on supported housing. Other Members have outlined how that prolonged the agony of the sector, which has faced potential disinvestment because of the uncertainty. The delay in announcing this has certainly caused undue stress to the sector and to tenants, many of whom may already be in psychologically stressful situations. It was unhelpful that the Government buried this announcement in the chaos of Prime Minister's

Question Time; it was disrespectful to those in the sector who had been waiting for clarity and had been under the impression for more than a year that their funding would be cut.

The sector saves the Government in the region of £3.5 billion per year through lower costs for the national health service and the social care and criminal justice systems. The National Housing Federation told the Work and Pensions Committee that, for older tenants, the annual saving to the taxpayer due to their reduced reliance on health and social care services was an estimated £3,000 per person, while for people with learning disabilities and mental health issues the saving was between £12,500 and £15,500. The Associated Retirement Community Operators told the Committee that people in extra care housing cost the NHS 38% less than the average population in general needs accommodation.

As I mentioned before, funding for short-term supported housing will be devolved to Scotland from April 2020 at a level equivalent to that which would otherwise have been available through the welfare system. In England, the model set out in the consultation means that this provision will be commissioned at a local level, funded through a ring-fenced grant and underpinned by a new local planning and oversight regime.

However, in Scotland we wish to work with local government and providers to consider that option alongside a broader range of potential options for distributing the funds with the wider sector over the coming months. To ensure that the amount of money devolved meets the needs of the sector, we will work with the UK Government, providers and local authorities to ensure that the data gathered on existing costs is robust and enables service users to continue to be supported.

Long-term supported housing will remain in the welfare system, and I am glad that the UK Government have committed to working with the sector to develop and deliver arrangements to ensure value for money. However, DWP officials have indicated that they still need to work to find a longer-term practical solution to keep that money within the welfare system due to the move to universal credit by 2022. It would be remiss of me at this point not to reference universal credit and its forthcoming December roll-out in Glasgow. I continue to ask the Government to halt that roll-out, given the shambles we have seen with it elsewhere.

It is vital that the future funding model works for the people of Glasgow and of Scotland. Although responsibility for housing is devolved, the UK Government's policy on housing support has a substantial impact on Scotland's pursuit of its housing objectives. I know that my colleagues in the Scottish Government are responding to the UK Government consultation on this, which I understand closes on Tuesday.

The report makes some sound suggestions, and I very much hope that the Government will consider the views of stakeholders. I have to say that, as a new MP, I continue to be somewhat frustrated that the Government continue to tie themselves in knots over Brexit, often at the expense of other policy areas. The fact is that their delays are having a very real impact on people—in this case, vulnerable people living on low incomes.

The burden of the Government's policies continues to fall on other parts of the public and voluntary sectors. The UK Government must provide certainty

for the social housing sector and bring forward their plans for a robust funding formula. I am conscious of time, so I conclude by saying that the report—as well as the consultation currently being held—should be considered as an opportunity genuinely to listen to the view of the community who know best about how to put this type of housing on a sustainable footing.

3.37 pm

**Melanie Onn** (Great Grimsby) (Lab): It is a pleasure to serve under your chairmanship, Sir Graham. I join others in the House in welcoming the Minister to her place. I look forward to working with her in the future. I also add my congratulations to my right hon. Friend the Member for Birkenhead (Frank Field), who is not in his place, and my hon. Friend the Member for Sheffield South East (Mr Betts) on securing the debate on the excellent joint Select Committee report. I am sure it will be referenced for some time to come.

I suspect that it will not come as a surprise to some in the room to hear that I think the report is excellent, given that I was a member of the Communities and Local Government Committee. In that vein, I extend my thanks to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) and the hon. Member for Gloucester (Richard Graham), who is no longer in his place, who steered that Committee through some intensive evidence gathering sessions with their excellent chairing skills. They made possible a thorough report that enabled those different organisations and Members of Parliament to challenge this policy and have some great effect.

I also remember the work of the hon. Member for Waveney (Peter Aldous) in this area. It became apparent towards the end of last year, when he held a very short debate in the House, just how much concern about and affection for supported accommodation there is across the House. There was barely a seat available for people to listen to his eloquent words. It was profound, and it certainly made clear to Ministers the strength of feeling across the House on this matter.

The joint Committee report, alongside the repeated calls from the Opposition in Opposition day debates and the resolution of the House, resulted in a welcome acknowledgment by the Government that including supported housing in the LHA rate cap was wrong and in a climbdown by the Prime Minister. However, the resulting review of the funding model has left things less than straightforward—that is quite a generous description of the situation.

It has been striking to hear the similarities between the issues raised by hon. Members and the collective approach taken by providers of supported accommodation. They have been determined to speak with one voice and ensure that they are heard collectively, so that the Minister understands that some very clear flaws need addressing. Doing so will hopefully reduce her considerable burden of additional responsibilities.

My hon. Friend the Member for Ipswich (Sandy Martin) was right to highlight all the other services that are available within supported accommodation. This is not about a roof over people's heads. It is about the accommodation, but it is also about the support. We should remember that in every decision we make.



[Melanie Onn]

The Government plan to split their supported housing funding into three models, based on sheltered, short-term and long-term needs, and move the responsibility for funding of short-term supported housing from the main welfare system to local authorities. The Government have said that that is about providing long-term sustainable funding mechanisms that ensure quality. However, I do not think that the Government's response goes anywhere near achieving those aims. In fact, as it stands, the proposal will lead to more insecurity for many around the country, as my hon. Friend the Member for Blaydon (Liz Twist) explained clearly.

Despite repeated attempts, before the hon. Member for South Derbyshire (Mrs Wheeler) took her place as Minister, to entice Housing Ministers into confirming the details of future funding, there has been no movement beyond the 2020-21 commitment, but we know that the Treasury has set aside around £500 million for 2021-22. Perhaps the Minister will be rather less coy than her predecessors and end this cloaked performance, so that we can give clarity not only to the sector that provides these vital supported services but to the people who use them.

It has to be recognised that living in supported housing is not a choice. People go into supported housing out of necessity, because they have no other options available to them. I urge the Minister to be clear today and tell those people that there will be no cut in funding in the second year and no cut in funding in subsequent years. To fail again to provide certainty to this sector will only add to the delays in investment that the joint Committee report has shown are already happening.

The long-term impact of the delays will most likely be that the standards of accommodation will be lower, as the costs outstrip the benefits of ever-increasing and more demanding maintenance, and that fewer places will be available because new, more suitable accommodation will not be built. The Minister will be well aware from the contributions today that significant concerns remain about the moving of funding away from the welfare system to local authorities, meaning that funding will no longer be needs-led and no longer based on the right to help with housing costs for individuals. Nobody wants to see further financial risk burdens given to local authorities, which are already hard-pressed.

As has been mentioned—particularly by my hon. Friend the Member for Nottingham North (Alex Norris), who has been a champion of this issue—charities such as Women's Aid have raised concerns that these reforms are incompatible with the way the national network of refuges operates around the country. As many Members have said, two thirds of women travel outside their local authority boundaries to seek refuge care. Indeed, on my last visit to my local refuge just before Christmas—it is run by the excellent Denise Farman, who works tirelessly for the women who seek her assistance there—I met women from right across the Yorkshire and Humber region. I know that previously they have come from much further afield as well. Funding based on local need simply does not make sense. The Government must commit to work with refuge providers to redesign a funding model that represents the reality of refuges.

The definition of short-term accommodation as being for up to two years, which my right hon. Friend the Member for Knowsley (Mr Howarth) mentioned before

he had to leave, causes serious problems for the sector. The charity Rethink Mental Illness has said that these new funding levels will make mental health supported housing more insecure and result in fewer new supported housing services and more scale-backs or closures of current supported housing. Many of the cases that it deals with will now be classed as short term. Indeed, 50% of its supported housing services will now be classed as short term and subject to the new funding model.

We have to remember that the people in this accommodation have a range of conditions, with differences in severity and longevity and therefore very different timelines for moving out of supported housing. Does the Minister recognise the additional anxiety and stress that will be caused by adding this new ticking clock if those people are placed in what the Government term short-term accommodation? The Government must give serious thought to the views of groups such as Rethink Mental Illness and cutting the length of time that is considered short term. Let us accept that "short-term" is genuinely short. There seems to be a consensus across the House and throughout the supported accommodation sector that it takes 12 weeks to deal with emergency supported housing need, as well as universal credit and access to housing benefit.

Part of the logic in making these changes is the incompatibility of universal credit with extremely short-term supported housing. Surely if the aim of universal credit is to encourage claimants to be independent by allowing them to manage their own housing costs, this proposal for short-term supported housing goes against the very principle of universal credit. My hon. Friend the Member for Sheffield South East made that point far more clearly than I just managed to.

Groups such as Riverside, the YMCA, St Mungo's and the Salvation Army—the Salvation Army rarely comes out against any Government to suggest that things are not going well—have all said that managing housing costs in a supportive environment is a vital step in the transition to independent living for those in short-term supported housing, so removing this independence could lead to longer stays in supported housing. Rather than creating a new, complicated and crudely structured system, surely the Government should look at how the universal credit system could be improved for those in short-term supported housing.

My hon. Friend the Member for Nottingham South (Lilian Greenwood) mentioned the lack of move-on accommodation for people who wish to leave short-term supported accommodation. She is absolutely right about that. I was interested to learn about the additional £50 million allocated for homelessness outside of London. It is obvious to everybody that there is an increase in visible homelessness and rough sleeping outside of London. Where is the funding that was earmarked for that? When will it be allocated?

I thank my hon. Friend the Member for Weaver Vale (Mike Amesbury) for raising the issue of tenancy security. If people are not to be treated as individuals or have any of the tenants' rights that they may well have relied on previously, with the money going to the organisation instead, we add the pressure of a lack of housing security. That is not something we should be encouraging within the supported accommodation sector.

I have a few more questions, which are in line with some of the questions posed by my hon. Friend the Member for Sheffield South East. What happens if a service does not receive a grant? My hon. Friend the Member for Dulwich and West Norwood referred to what might be considered less desirable accommodation—for ex-offenders, for example—which local authorities might not always be desperate to see more of in their area. Can the residents receive housing benefit? If a service has a grant for some but not all residents, can some still receive housing benefit? What will the Minister do to ensure that organisations that do not currently deal with local authorities and do not receive, for example, Supporting People funding do not fall through the gaps in the new system?

In a statement to the House in December, the then Housing Minister, the hon. Member for Nuneaton (Mr Jones), said that he was

“confident that by working with the sector we can get this right.”—[*Official Report*, 21 December 2017; Vol. 633, c. 1317.]

But here we are, with significant representations from across the sector saying that this is not right. I urge the Government to recognise that the proposal is simply not working and quickly to develop a fit-for-purpose model that represents the reality of supported housing. The conclusion next week of the consultation gives the new Minister a perfect opportunity to take those necessary steps.

3.51 pm

**The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Mrs Heather Wheeler):**

It is an absolute pleasure to serve under your chairmanship, Sir Graham. I thank everyone for their contribution; this has been a very wide-ranging conversation. I congratulate the right hon. Member for Birkenhead (Frank Field) and the hon. Member for Sheffield South East (Mr Betts) on securing this incredibly important debate on supported housing and on the work done on the issue by their Committees and, in particular, the Joint Committee.

May I start by saying how pleased I am to have been appointed the Minister responsible for housing and homelessness? I declare an interest, as my husband is a councillor on my local council, South Derbyshire District Council. I also extend my heartfelt thanks to my hon. Friend the Member for Nuneaton (Mr Jones) for his work on this very important issue, and wish him well in his new role.

Working towards a fair and equitable society is a priority for this Government and will be my priority. Supported housing plays a critical role in that. I know that from my own area, which has an excellent domestic abuse refuge, a wonderful older people’s housing village and specialist move-on accommodation for young people. We embrace such housing in South Derbyshire, and I am sure that many other places around the country do as well.

I am sure we all agree that supported housing is an invaluable lifeline for some of the most vulnerable people in our society. It helps many people to lead independent lives or to turn their lives around, and is a vital service for a country that works for all. Across England, more than 700,000 people live in supported housing at any one time. They range from vulnerable older people to individuals with learning disabilities

and physical impairments, those at risk of domestic abuse, people who are homeless and many others. It is also an investment that brings savings to other parts of the public sector, such as health and social care.

It is imperative that we continue to support the most vulnerable in society and, as the Joint Committee identified, that we have a sustainable supported housing sector that is fit for the future. I am committed to ensuring that the funding model that underpins supported housing protects and boosts supply, and that it delivers positive outcomes and a good quality of life for those who depend on it.

As hon. Members will be aware, we published the “Funding Supported Housing” policy statement on 31 October. We have worked closely with providers of supported housing on our proposals and continue to do so. The recommendations made by the Communities and Local Government and Work and Pensions Committees were especially important to that. Our new funding approach has real benefits, many of which, I am pleased to confirm, align with the Joint Committee’s report. I remind hon. Members that we confirmed in the policy statement that we would not apply local housing allowance rates to tenants in supported housing or the wider social rented sector. In line with the Committee’s recommendation, we also announced that we would introduce the new approach from April 2020, rather than April 2019. That will ensure that vital support provided to vulnerable people is not interrupted or put in doubt, and that local government has time to implement the reforms. The Government remain committed to boosting the supply of supported housing—I am delighted to say that a second time.

Our announced model can be considered to meet different people’s needs in three respects. First, we will introduce a sheltered rent, for sheltered housing, within the welfare system. I am pleased to say that that is akin to the supported housing allowance recommended by the Committee. It is a type of social rent that will cap the amount that sheltered providers can charge for gross rent, including eligible service charges. We will work closely with the sector to set the limits at an appropriate level and, more generally, to protect provision and new supply. We will bring in existing supply at existing levels of rent and service charges. Again, we are ensuring that the service is there, at the right level.

Secondly, we said that long-term supported housing, such as permanent housing for people with learning or physical disabilities or long-term mental ill health, would remain in the welfare system. We will work with the sector to develop greater cost control. That is important; the public would expect us to do that.

Thirdly, we have taken on board the Select Committees’ recommendation that there should be a locally administered grant system for short-term accommodation. That will be introduced from April 2020. All short-term provision—for example, hostels and women’s refuges—currently funded by the welfare system will continue to be funded at the same level by local authorities in 2020.

**Mr Betts:** I think that there is a misunderstanding—shall I put it that way, Sir Graham? The Government have not taken on board the Select Committees’ recommendation, because the term “short term” has been moved. The recommendation actually talks about a mechanism for “very short-term accommodation”,

[Mr Betts]

the “emergency nature” of that provision and links to universal credit. That is not what the Government now propose.

**Mrs Wheeler:** I thank the hon. Gentleman for that intervention. I am happy to give him clarity and succour. The short-term supported housing will be funded at current levels in 2020-21 through the ring-fenced local grant funding, and funding will continue to take account of the costs of provision and projected future need. I have to state the obvious: budgets are not set for years beyond spending review settlements. Housing costs will be funded directly by local authorities through the ring-fenced grant. I know that the sector has concerns about the longevity of the ring fence, so I want to reiterate that we are committed to retaining that for the long term, as the Joint Committee also recommended.

**Helen Hayes:** On the point about the longevity of the ring fence, the Minister must surely recognise that the ring fence is only as secure as the Government of the day’s commitment to it. Even if the ring fence is somehow established in legislation, it can be overturned at the will of a subsequent Government. Could she please address the point, which is of grave concern across the sector, that a ring fence is not a secure way of assuring long-term funding for the sector?

**Mrs Wheeler:** I thank the hon. Lady for that intervention. I must stress again that no Government will put in place anything beyond a spending review period. It is not right or proper to do so. That is normal business.

**Helen Hayes:** I thank the Minister for giving way again, but she simply makes the point that the ring fence provides no long-term assurance to the sector. Does she agree that it is inherently a short to medium-term measure, and that the sector cannot therefore be guaranteed that the ring fence will be there for the long term, as she indicates is her intention?

**Mrs Wheeler:** I am afraid that the hon. Lady misunderstands me, because the long term will be ring-fenced with local authorities. The whole point about this is that we want to grow the supply of sheltered and supported housing accommodation, because the Government consider it very important in looking after the most vulnerable people in society in future. In the same vein, I reassure hon. Members that the amount of grant funding for this part of the sector to 2020 will continue to take account of the costs of provision, and growth of future provision.

Better oversight and value for money are an important part of our reforms. The Joint Committee was keen that there should be a set of national standards. We are consulting on a national statement of expectation, which will set out what we want good supported housing to look like.

We will work with local government on how it plans future provision in England as it assesses current and future need. Before implementation, we will issue more detailed guidance, to support local authorities in monitoring this provision in their area. We are carrying out a full new burdens assessment to identify how much additional administrative budget local authorities will need to

deliver the new funding approach. We are working closely with local authorities and the Local Government Association to do that.

Under the short-term model, all funded provision will be commissioned by the local authority. This means providers will need to meet local authority quality standards. Furthermore, under the new model for sheltered and extra care, the social housing regulator will monitor compliance with this new system. We are empowering tenants by obliging providers to publish breakdowns of their service charges. Where tenants feel that these are unreasonable, they can take action. We also continue to work with the sector to identify ways to drive up standards, improve outcomes and share best practice.

I have mentioned a number of areas where our conclusions coincide with those of the Committee, but one recommendation on which we are not aligned is that on the creation of a bespoke model for refuges. We recognise how important that is, but we believe that a local approach will ensure the best outcome for domestic abuse services. This is because local authorities are best placed to understand their residents’ needs.

**Melanie Onn:** Does the Minister not accept the statistic, provided by Women’s Aid, that two thirds of women come from outside their local authority area?

**Mrs Wheeler:** From my experience, I know that many people move around and prefer to go to a refuge that is not next door. There is then a knock-on effect: that local authority takes on local housing, unless they later find somewhere else that the person in the refuge wants to go to. The effect of this is that all the way around the country, local authorities take their fair share, and they know that and work on that basis.

**Sandy Martin:** The Minister paints a picture of all constituencies having similar socioeconomic backgrounds, but women’s refuges are not evenly distributed; nor are hostels for young people or those with substance abuse issues. The Minister will probably find that the majority of such buildings and such provision is in urban areas. Rural parts of the country often rely on the provision in urban areas, yet do not financially contribute to it.

**Mrs Wheeler:** Without prolonging the conversation, I think the hon. Gentleman will find that certain areas in the west country have gone for an alternative model of safe houses and havens. It is not that there are not places for people to go; it is just done in a different way.

Our approach frees vulnerable women from meeting house costs themselves. It empowers them to focus on what matters most in repairing their life. However, I am aware that the quality of service varies significantly. This is why we are conducting a thorough review of domestic abuse services. Many of you have an interest in this, as do I. I ask that you encourage your local authorities, service providers and others to engage fully in the review. It will report to Ministers—that is, to me—this summer. I look forward to receiving those submissions and going through them personally. My hon. Friends Marcus Jones and Caroline Dinenage met several supported housing providers and representatives, as did Lord Best, Lilian Greenwood, Jess Phillips and Victoria Atkins, following the announcement of the funding model. Naturally, I look forward to continuing this engagement, and listening to and working with the sector.



I very much appreciate the time and work that Select Committee members have put into the “Future of supported housing” inquiry. I also value the opportunity to attend this debate and hear further views on the funding model. I am confident that our new proposals will offer certainty to providers, so that they can invest in new supply, particularly of sheltered and extra care housing, where demand is expected to grow. As was mentioned, Home Group has given the green light to funding for new supported housing schemes—a £50 million scheme is not a small scheme. However, we know that there is work left to do to achieve the best outcomes for the many who live in supported housing.

I want to thank the Joint Committee for its inquiry. There were so many areas of future work that we can agree on.

**Peter Aldous:** I am grateful to the Minister for summing up. The consultation finishes next week. Will she confirm that, in line with the previous consultation, her Department will listen very carefully and reflect on the proposals from providers? Will she also say on what sort of timetable she envisages her Department providing a response to that consultation?

**Mrs Wheeler:** Absolutely. Thank you: you have given me a great opportunity to mention one more thing. We have stressed so often today, and in the Government’s official response to the inquiry paper, that the consultation, which finishes next week, on Tuesday 23 January, gives us a real opportunity to go through everything for the summer. We will then be able to report back, but I am sure that there will be an opportunity to nail this much more quickly than that.

Again, I thank the Joint Committee for its inquiry. We agree on so many areas. I look forward to working with it on tweaks to make things safer across the whole country. I look forward to working with the devolved Administrations as well.

4.6 pm

**Mr Betts:** This has been a wide-ranging, well informed debate. It is a great credit to my hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) and the hon. Member for Gloucester (Richard Graham) that they produced a report that not only commanded the complete support of two Select Committees, but has wider support across the House and outside it, among providers and others. That has been absolutely clear.

At the beginning, I asked the Minister to address three fundamental issues. There is still a bit more work to do on how the cost controls over longer-term housing will be applied, and I am sure that we will continue to explore that. We have a difference on women’s refuges. It is not so much a matter of people choosing to go outside the area; they are often forced outside the area to a place where they have no local connection. That issue needs to be addressed nationally, and we need further discussion and debate on those matters of concern.

I come back to the issue of short-term accommodation. As I said, I had a briefing from St Mungo’s this morning and a phone call with Riverside, which has produced a joint briefing with the YMCA and the Salvation Army. The hon. Member for Waveney (Peter Aldous) rightly read out an even longer list of providers with concerns—a very long list. The Government have generally misunderstood

or misinterpreted—at this stage I will say unintentionally—the recommendation about emergency accommodation. The words in the report were “very short-term accommodation”, but the Government have applied that to all accommodation of less than two years, which is not right and not what the recommendation actually states. The National Housing Federation has been talking to all its members and puts the matter succinctly:

“The definition of short-term services in the consultation paper is very wide and this should be tightened so that it is clear that the local system covers short-term emergency accommodation where people stay for a period of weeks rather than months.”

Were the Government to say, “We’re changing the definition so that accommodation funded through the benefit system is extended to include all accommodation, except that for very short-term emergencies of up to 12 weeks, and that very short-term emergency accommodation will be funded through the ring-fenced grant”, we would give fairly unanimous support straightaway. I ask the Minister to go back and look again at that particular issue. It is of real concern to providers, and I think that the Government have simply got it wrong. There is no reason to take accommodation of a year, 18 months or even six months out of the welfare system. Short-term emergency accommodation should be the only accommodation funded by the ring-fenced grant. If the Minister would at least listen to that, take it away and consider it, and perhaps make the change, we could get a much better funding system.

**Mrs Wheeler:** I thank the hon. Gentleman for that, and am very glad he is putting that on the record, because it is important that we all talk about the same thing. We listened carefully to the views of the sector in the previous consultation and through the sector task and finish groups, which said that on balance, this timeframe reflects the nature of support provided and an individual’s journey and outcomes. We are, however, absolutely clear that we continue to listen, and will consider feedback in the current consultation. I hope that puts his mind at rest.

**Mr Betts:** It is helpful that the Minister is still listening. I obviously do not know who is on the task and finish group, but I do know the number of providers that are clearly raising concerns; the National Housing Federation encapsulated in one sentence, which I read out. If the Minister listens to that, reflects and makes the change that has been suggested, we will have a much better system—a system that the providers, in the widest sense, will be happy with, and that will encourage the new investment that we all want.

**Sir Graham Brady (in the Chair):** Before I put the question, I remind all Members that colleagues should be referred to not by name, but by constituency, and that they should be addressed in the third person. I did not want to break anybody’s flow during their speech, but I hope that is helpful.

*Question put and agreed to.*

*Resolved,*

That this House has considered the First Joint Report of the Work and Pensions Committee and the Communities and Local Government Committee, Future of supported housing, HC 867, Session 2016-17, and the Government response, Cm 9522.

4.11 pm

*Sitting adjourned.*



# Written Statements

Thursday 18 January 2018

## BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

### Departmental Contingent Liability Notification: HM Land Registry Digital Mortgage Service

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark):** Today I will lay before Parliament a departmental minute describing a new digital mortgage service, to be launched by HM Land Registry (HMLR) in 2018, and a resulting contingent liability.

It is normal practice when a Government Department proposes to undertake a contingent liability of £300,000 and above, for which there is no specific statutory authority, for the Department concerned to present Parliament with a minute giving particulars of the liability created and explaining the circumstances. It is also normal for the Department to refrain from incurring the liability until 14 parliamentary sitting days after the issue of the minute, except in cases of special urgency.

HMLR's new digital mortgage service will enable borrowers to sign mortgage deeds digitally, speed up the re-mortgage process and improve the customer experience. A new liability risk arises with this service because HMLR will certify the identity of a borrower when that person provides a digital signature in advance of registration. This liability sits outside of the scope of HMLR's existing statutory compensation scheme (schedule 8, Land Registration Act 2002).

The risk of the new liability occurring is considered low. The new process, where the borrower's identity has to be verified through GOV.UK Verify combined with HMLR's independent security processes, should in fact reduce the overall risk of fraud. To date GOV.UK Verify has not identified a single example of fraud despite in excess of 1.25 million citizens' accounts having been created using the GOV.UK Verify service.

As with the existing indemnity, any costs incurred from this extension will be covered by HMLR's resources as a trading fund.

Subject to no objections being received, I intend to authorise the proposal to undertake contingent liability for the digital mortgage service, after the usual 14 parliamentary sitting days.

The Government will be taking further steps to improve the home buying and selling process, following the publication last year of a call for evidence.

[HCWS409]

## DEFENCE

### UK Military Support

**The Secretary of State for Defence (Gavin Williamson):** I wish to inform the House of the Government's intent to deploy three CH-47 Chinook heavy lift helicopters to Mali to provide logistical support to French operations in the Sahel region, following French requests for additional

support for Operation Barkhane. This deployment forms an important element of our agreement at the Sandhurst Summit to work more closely with the French to counter terrorism and instability in the Sahel, and strengthen our co-operation in this region. We will continue to co-ordinate the deployment with the French and update the House in due course.

[HCWS413]

## FOREIGN AND COMMONWEALTH OFFICE

### Foreign Affairs Council: 22 January

**The Minister for Europe and the Americas (Sir Alan Duncan):** I will attend the Foreign Affairs Council on 22 January. The Foreign Affairs Council will be chaired by the High Representative of the European Union (EU) for Foreign Affairs and Security Policy (HRVP), Federica Mogherini. The meeting will be held in Brussels.

The agenda for the Foreign Affairs Council (FAC) is expected to include a breakfast with the president of the European Investment Bank as well as discussions on the post-Cotonou agreement, Libya and the middle east peace process (MEPP). There will be a lunch with the President of the Palestinian National Authority (PA), Mahmoud Abbas.

The HRVP is expected to cover Iran, conclusions on Iraq, Zimbabwe, the integrated approach of the EU global strategy and EU priorities at the Council of Europe in her introductory remarks.

#### *Post-Cotonou*

Ministers will discuss developments in the negotiations on a post-2020 agreement with the Africa, Caribbean and Pacific countries (ACP) which will replace the current Cotonou agreement.

#### *Libya*

The EUVP will debrief on the outcomes from the European Union-African Union-United Nations (EU-AU-UN) taskforce meeting that took place on 14 December and outline the next steps. A substantial discussion on Libya will follow covering politics, migration, counter-terrorism and common security and defence policy. Ministers will discuss the latest political developments, including obstacles in the peace process, perhaps with particular reference to the challenges facing the UN Special Representative Ghassan Salame.

We will be encouraging EU members to continue supporting the UN-led process and will continue to offer our support to the EU-AU-UN taskforce.

#### *MEPP*

Ministers will host Palestinian President Abbas for a lunch and discuss prospects for the MEPP, including longstanding EU support for a negotiated two-state solution and EU support for Palestinian reconciliation.

#### *Council conclusions*

The FAC is expected to adopt conclusions on Iraq, Zimbabwe and the integrated approach of the EU global strategy.

[HCWS408]



## HEALTH AND SOCIAL CARE

### Health Technology Update

**The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price):** On Monday 15 January 2018 EMIS Group plc (EMIS) notified NHS Digital regarding under-reporting of issues with their general practice clinical systems provided under the General Practice Systems of Choice (GPSoc) contract.

The Department of Health and Social Care was informed by NHS Digital, which manages the contract, on Tuesday 16 January. EMIS has today informed the London Stock Exchange of this matter.

EMIS's chief medical officer has confirmed that an internal clinical safety review found no issues of concern. A review by NHS Digital's clinical safety team has found no evidence that patient safety has been put at risk.

NHS Digital is conducting a detailed investigation to establish both the cause and accountability for the under-reporting with the full co-operation of EMIS. Any settlement or other actions will be dependent on the outcome of this process. NHS Digital will also consider what lessons can be learned more widely.

I will provide a further update to Parliament once this important work is complete.

[HCWS406]

## HOME DEPARTMENT

### Criminal Finances: EU Directive on Fraud and Counterfeiting

**The Minister for Security and Economic Crime (Mr Ben Wallace):** The Government have decided that the UK will not opt in to the directive on combating fraud and counterfeiting of non-cash means of payment.

The UK's domestic legislation is already compliant with the majority of the directive's measures, and in relation to the offences and sentences set out in the directive, the UK goes further than the standards set within the directive for:

The effective co-operation for the fraudulent use of payment instruments, and;

The preparatory offences, the use of information systems and other tools to support fraudulent use.

Following careful consideration we have concluded that there would be no benefit to the UK opting in to this measure.

The UK strongly supports international efforts to tackle fraud. The UK works closely with other EU member states and will continue to do so despite the decision not to opt in. The UK has consistently advocated that international co-operation is required to tackle fraud, and we are committed to supporting member states, and other countries, in this regard.

[HCWS410]

## Terrorism Prevention and Investigation Measures

**The Secretary of State for the Home Department (Amber Rudd):** Section 19(1) of the Terrorism Prevention and Investigation Measures Act 2011 (the Act) requires the Secretary of State to report to Parliament as soon as reasonably practicable after the end of every relevant three-month period on the exercise of her TPIM powers under the Act during that period.

The level of information provided will always be subject to slight variations based on operational advice.

TPIM notices in force (as of 30 November 2017)	7
TPIM notices in respect of British citizens (as of 30 November 2017)	6
TPIM notices extended (during the reporting period)	2
TPIM notices revoked (during the reporting period)	0
TPIM notices revived (during the reporting period)	0
Variations made to measures specified in TPIM notices (during the reporting period)	10
Applications to vary measures specified in TPIM notices refused (during the reporting period)	0
The number of current subjects relocated under TPIM legislation (as of 30 November 2017)	7

The TPIM Review Group (TRG) keeps every TPIM notice under regular and formal review. The most recent TRG meetings took place on 4, 6, 26 and 27 September. The next round of TRGs will take place during December 2017.

On 11 October 2017 a TPIM subject was sentenced to 16 months' imprisonment following an earlier guilty plea to two breaches of the association measure of the TPIM notice.

The case of Secretary of State for the Home Department v. LF [2017] EWHC 26859 (Admin) was heard at the High Court between 17 and 21 July 2017. In a judgment dated 30 October 2017 Mrs Justice Laing upheld the Secretary of State's decision to impose a TPIM notice on LF. In the same judgment Mrs Justice Laing ordered a minor variation to LF's police reporting requirement. This judgment can be found at [www.bailii.org/ew/cases/EWHC/Admin/2017/2685.html](http://www.bailii.org/ew/cases/EWHC/Admin/2017/2685.html).

[HCWS411]

## JUSTICE

### Her Majesty's Courts and Tribunals Service

**The Parliamentary Under-Secretary of State for Justice (Lucy Frazer):** Together with the senior judiciary, the Government are committed to modernising the justice system. HM Courts and Tribunals Service's long-term reform programme is already delivering benefits by making access to justice quicker and easier while ensuring fairness. HM Courts and Tribunals Service's £1 billion reform programme is ambitious, ensuring justice is accessible but proportionate and making use of the technology available in the modern world. It will provide modern IT and processes, and focused services to support those who require court services. It covers all jurisdictions

and touches every aspect of the system, including making more effective use of its physical places, spaces and buildings.

#### *Courts and tribunals estate*

It is important that when the programme of reform is complete we have the right buildings in the right places that can take full advantage of the opportunities that modernisation brings. They should be flexible, efficient and offer the best possible environment for those who seek justice, and our approach should reflect the greater use of digital services.

I am, today, announcing the publication of six separate, but related, consultations about the HM Courts and Tribunals Service estate.

#### *Consultation on future estates strategy*

The first consultation, “Fit for the future: transforming the courts and tribunals estate”, provides an outline of reform activities which are either under way or planned. It outlines the three core principles behind our approach—ensuring access to justice, providing value for money for the taxpayer and ensuring efficiency in the long term—and a proposed approach to future consultations on changes to the estate as HMCTS reform initiatives deliver results.

#### *Consultations on court closure proposals*

While consideration of the demands on the courts and tribunals estate in the context of reform is important, we also need to assess the existing estate to make sure it is efficient and offers value for money to taxpayers now. To this end, a key consideration in management of the estate is that we only operate buildings that we need, eliminating duplication and overlapping service provision, with the savings recycled back into the reform programme.

I am therefore today announcing five separate consultations on proposals to close eight courts. These proposals are being made under the existing courts and tribunals estates principles and current processes and workloads.

The courts are:

Banbury magistrates’ and county court and Maidenhead magistrates’ court (in a single consultation for the court estate in the Thames valley),

Cambridge magistrates’ court,

Chorley magistrates’ court and Fleetwood magistrates’ court (in a single consultation for the court estate in Lancashire),

Northallerton magistrates’ court, and

Wandsworth county court and Blackfriars Crown court (in a single consultation for the court estate in London).

All consultations will begin on 18 January 2018 and run for 10 weeks. A response to the consultations will be published following proper consideration of all views submitted.

A copy of the consultation documents will be placed in the Libraries of both Houses.

[HCWS412]

## WORK AND PENSIONS

### Diffuse Mesothelioma Payment Scheme Levy 2017-18

**The Minister for Disabled People, Health and Work (Sarah Newton):** The Diffuse Mesothelioma Payment Scheme (Levy) Regulations 2014 require active employers’ liability insurers to pay an annual levy based on their relative market share for the purpose of meeting the costs of the diffuse mesothelioma payment scheme (DMPS). This is in line with the commitment by the insurance industry to fund a scheme of last resort for sufferers of diffuse mesothelioma who have been unable to trace their employer or their employer’s insurer.

I can announce today that the total amount of the levy to be charged for 2017-18, the fourth year of the DMPS, is £33.5 million. The amount will be payable by active insurers by the end of March 2018.

Individual active insurers will be notified in writing of their payment amount (i.e. their share of the levy), together with how the amount was calculated and payment arrangements. Insurers should be aware that it is a legal requirement to pay the levy within the set timescales.

I am pleased that the DMPS has seen three successful years of operation, assisting many sufferers of diffuse mesothelioma. The third annual report for the scheme was published on 30 November 2017 and is available on the gov.uk website. I hope that members of both Houses will welcome this announcement and give the DMPS their continued support.

[HCWS407]





# Petition

Thursday 18 January 2018

## OBSERVATIONS

### DEFENCE

#### BAE Systems jobs in Brough

*The petition of residents of Kingston upon Hull and the East Riding of Yorkshire,*

Declares that residents believe that skilled defence manufacturing jobs at BAE Systems in Brough are of vital strategic importance for the defence and security of the United Kingdom.

The petitioners therefore request that the House of Commons urges the Government to take action to save 400 jobs that are under threat at Brough, including ordering new Hawk aircrafts for the Red Arrows to replace the current fleet that was made in the 1970s.

And the petitioners remain, etc.—[Presented by Diana Johnson, Official Report, 21 November 2017; Vol. 631, c. 1015.]

[P002081]

*Observations from the Parliamentary Under-Secretary of State for Defence (Guto Bebb):*

BAE Systems has taken the decision to transform its business to increase its competitiveness and ensure that it is as efficient as possible. While this is a matter for the company, the Government appreciate that it is a worrying time for the 400 employees at Brough who are potentially affected, as well as their families and the local community. BAE Systems is still in consultation on the proposed changes and the Ministry of Defence (MOD) continues to work closely with the company to understand the impact of the potential reductions. The Department for Work and Pensions is also standing by to offer support for those affected.

More broadly, the Government recognise the importance of highly skilled defence manufacturing jobs to UK prosperity. The recently refreshed Defence Industrial Policy makes clear our commitment to fostering an internationally competitive, innovative and secure UK defence sector. As part of this work, we worked with suppliers of all sizes and across all sectors, including BAE Systems, to understand how we can support growth and competitiveness, as well as meet our national security objectives. This is a continuing process of engagement. Our policy also recognises that the combat air sector,

which includes those employed in Brough, makes a strategically important contribution to securing our military operational advantage and freedom of action, including the development of high-end technologies. The sector also generates significant revenues and international influence through exports.

We are committed, therefore, to keeping the UK a leading aerospace nation and we are already working with industry on our long-term requirements, for example on the Future Combat Air System Technology Initiative. Through this programme, we are working in partnership with the UK defence industry and our closest allies to develop key technologies while also sustaining the UK industrial base.

In the nearer term, the recent £6 billion agreement with Qatar for 24 Typhoon aircraft, which is the biggest order for the aircraft in a decade, is another significant boost for BAE Systems. This agreement also included a clear intention to proceed with the purchase of Hawk aircraft. We recognise that this is an increasingly competitive and demanding international market, but we believe that Typhoon and Hawk are world-leading products. We continue to work closely with BAE Systems in pursuit of continued export success for both aircraft, looking to build on previous international success.

The Red Arrows currently have aircraft available from a pool of around 75 Hawk T1 which are due to remain in service until 2030. It does not make sense to replace them before then and any premature purchase would obviously come at the expense of equipment which our Armed Forces actually need. Any decision about replacements is therefore unlikely to be taken until the end of this Parliament.

It is also worth noting that, in the wider region, the Humber Local Enterprise Partnership has previously been awarded £141.5 million from this Government to promote local growth and deliver new jobs across the Humber. This includes £12 million to provide grant funding to small and medium-sized enterprises in order to stimulate growth, investment and job creation.

The Humber has the largest Enterprise Zone in the country, which is focused on developing the Humber as the centre for offshore renewable energy and to support advanced manufacturing and port-related logistics sites. The Enterprise Zone sites include Brough, and 18 companies have located to the site (known locally as Humber Enterprise Park) creating at least 101 jobs to date. These actions have attracted major investments in the Humber area, including Siemens Gamesa which has created around 1,000 jobs at Green Port Hull, with a £310 million investment to create an offshore wind blade manufacturing factory and assembly plant. Also, Reckitt Benckiser, is developing a £105 million centre for scientific excellence in Hull with the support of this Government.



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